Adani Energy Solutions Limited
(Formerly known as Adani Transmission Limited)
Credit Presentation
August 2023
Adani: A World Class Infrastructure & Utility Portfolio


- Represents public traded listed verticals

(%) Promoter equity stake in Adani Portfolio companies
(%) AEL equity stake in its subsidiaries

A multi-decade story of high growth centered around infrastructure & utility core
**Adani Portfolio:** Decades long track record of industry best growth with national footprint

- **Secular growth with world leading efficiency**
  - Growth 3x
  - EBITDA 70% \(^{1,2}\)
  - Growth 4x
  - EBITDA 92% \(^{1,4}\)
  - Growth 1.4x
  - EBITDA 19% \(^{1,3}\)

- **National footprint with deep coverage**

**Adani: Repeatable, robust & proven transformative model of investment**

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<td>India's Largest Commercial Port (at Mundra)</td>
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<td>Highest Margin among peers</td>
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<td>India's first and World's largest solar-wind hybrid cluster</td>
<td>Centralized continuous monitoring of plants across India on a single cloud-based platform</td>
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**Performance**

- **Origination**
  - Analysis & market intelligence
  - Viability analysis
  - Strategic value
  - India's Largest Commercial Port (at Mundra)

- **Site Development**
  - Site acquisition
  - Concessions and regulatory agreements
  - Longest Private HVDC Line (Mundra – Mohindergarh)

- **Construction**
  - Engineering & design
  - Sourcing & quality levels
  - 2,140 MW Hybrid cluster operationalized in Rajasthan in FY23

- **Operations**
  - Life cycle O&M planning
  - Asset Management plan

- **Post Operations**
  - Redesigning the capital structure of the asset
  - Operational phase funding consistent with asset life

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**Notes:**
AESL: A platform well-positioned to leverage growth opportunities in energy domain

Development

**Execution Prowess**
- Transmission Network of 19,820 ckm\(^1\)
- Built Longest Private HVDC Line \(^2\)

Operations

**Operating Efficiency**
- Robust network availability of 99.7%
- One of lowest Distribution losses in the country (5.93% in FY23 in AEML)
- Highest EBITDA margin in the sector (91% in Transmission)

**Consumer-centricity**
- Supplier of choice for 12 million+ consumers with a green power option and digital service
- Smart Metering (TOD tariff)
- CSAT surveys for 12 critical processes for high consumer satisfaction (top 3%)

Returns and Equity Value Creation

**Equity Partnerships**\(^3\)
- Secured primary and secondary equity investments from marquee investors – QIA in AEML (US$ 452 mn), IHC (US$ 500 mn) and GQG Partners (US$ 665 mn) in AESL

**Construction Framework Agreement**
- Fully funded plan, AESL has raised US$ 700 mn (US$ 1.1 bn fully drawn) revolving facility, additional US$ 2 bn GMTN program in place for AEML Capex program

Strategic Presence

- **Transmission** - Presence in 14 states
- **Distribution** - Integrated utilities catering to Mumbai (AEML) and Mundra (MUL)
- **Smart Meters** - Presence in 3 states

RAB expansion through Asset Hardening in Mumbai Discom
- 8% CAGR growth in Regulated Asset Base in Mumbai in 5 years (since acquisition)

Embedded ESG Framework
- Decarbonisation of Grid (Achieved 30% and on track to reach 60% RE power by FY27)
- Installed 3.36 MWp solar capacity for auxiliary consumption at substations
- Board Diversity and Strengthening

Significant Growth Potential
- Parallel Licensing, Smart Metering and Cooling Solutions
- Increasing participation in renewable grid (eg: HVDC Mumbai, Khavda)
- Green industrial cluster in Mundra

Note: 1) Transmission network is as of June 2023 and includes operational, under-construction assets; 2) HVDC: High voltage direct current – Longest at the time of commissioning; 3) QIA’s Investment in AEML: US$ 452 mn (Rs 32 bn) total investment (US$ 170 mn of Equity and US$ 282 mn of shareholder sub-debt), IHC Investment is Rs. 3850 Crs for 1.41% stake (US$ 500 million), GQG Investment of Rs. 5,532 Cr (US$ 665 million) for 6.63% stake based on closing price of Rs 878 dated August 20, 2023.
Adani Energy Solutions Ltd.
(formerly known as Adani Transmission Ltd.)

About AESL
AESL: Business Snapshot

**Adani Family**
70.9%

- **IHC**
  1.4%{(1)}
- **GQG**
  6.6%{(3)}

- **Public Shareholding**
  21.1%

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**Transmission**

- **Section 63**
  Fixed tariff{(4)}
- **Section 62**
  RAB Assets
  - USPP Pool (7 assets)
    - US$ 400 mn
  - ATSOL OG
    - Obligor 1 - $500 mn
    - Obligor 2 - $500 mn
  - Revolving Capex Facility HVDC Mumbai ($700 mn)

**Distribution**

- **AEML Mumbai**
  (400 sq. km)
- **MUL Mundra**
  (85 sq. km)
- **Parallel License** (under approval):
  - Navi Mumbai and Thane
  - Gautam Buddha Nagar
  - Mundra Subdistrict

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**Smart Metering**

- **AMI Projects of 16 million meters of Rs. 197 billion (LOA){(5)}**

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**District Cooling**

- **BOT Opportunities**
  - Shantigram Township
  - Mundra Region
  - Ahmedabad Airport

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Notes: 1) Primary equity by IHC Investment: Rs. 3,850 Cr for 1.41% stake (US$ 500 million); 2) Primary Equity - QA’s Investment in AEML: US$ 452 mn (Rs 32 bn) total investment (US$ 170 mn of Equity and US$ 282 mn of shareholder sub-debt) for 25.1% stake in AEML; 3) QGQ’s Secondary Investment of Rs. 5,532 Cr (US$ 665 mn) for 6.63% stake based on closing price of Rs 878 dated August 20, 2023; 4) Tariff based competitive bidding (TBBC); 5) Smart Meter Project details: (i) Brihanmumbai Electric Supply & Transport Undertaking (BEST) – 10.8 lakh smart meters (Rs 13 bn) (ii) Assam Power Distribution Company Limited (APDCL) – 7.7 lakh smart meters (Rs 8.9 bn) (iii) 3 Andhra Discoms – 27.7 lakh smart meters (Rs 17 bn) (iv) 2 MSEDCL projects – 115.9 lakh smart meters (Rs 139 bn); RAB: Regulatory Asset Base; AEML: Adani Electricity Mumbai Limited; MUL: MPSEZ Utility Limited; AMI: Advanced Metering Infrastructure; HVDC: High voltage direct current, LOA: Letter of Award, LOI: Letter of Intent; Ckm: Circuit Kilometer, SEZ: Special Economic Zone, Sq.Km: Square Kilometer; PDSL: Power Distribution Services Ltd.
Transformational Journey with Robust Growth and Credit Discipline

EBITDA (Rs. Crs)

FY16  FY17  FY18#  FY19  FY20  FY21  FY22  FY23
1,997  2,005  2,937  3,113  4,519  5,066  5,493  6,101

Transmission  Distribution

AESL is Investment grade rated since FY16

Credit Rating\(^{(1)}\)
- FY16: BBB- / Baa3
- FY23: BBB- / Baa3

Average Maturity
- FY16: 5.8 years
- FY23: 8.1 years

\(^{(1)}\) Credit Rating: Fitch / Moody’s ratings

Net Debt to EBITDA\(^{(2)}\) (x)

FY16  FY21  FY22  FY23
4.2  3.8  4.2  4.0

Gross Fixed Assets\(^{(3)}\) (Rs Crs)

FY16  FY21  FY22  FY23
11,317  37,279  41,826  46,934

Net debt to EBITDA ratio calculation considered only long-term debt at hedge rate and excluded sub-debt. \(^{(2)}\) Gross Fixed Assets: Fixed Assets includes Property, Plant & Equipment, Right of Use Assets, Capital Work in Progress, Goodwill & Other Intangible Assets. EBITDA: Earnings before interest, tax, and depreciation. CAGR: Compounded Annual Growth Rate. \(^{(3)}\) Includes one-time income of Rs. 873 Crores recognised during the year based on CERC order.

Notes:
- \(^{(1)}\) Credit Rating: Fitch / Moody’s ratings
- \(^{(2)}\) Net debt to EBITDA ratio calculation considered only long-term debt at hedge rate and excluded sub-debt.
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**Business Philosophy** focusing on De-risking at every stage of project lifecycle

**DE-RISKING AT EVERY STAGE**

- **Route Identification & Survey**
  - Route alignment on topographic maps to optimize route & identify key parameters
  - Utilization of Drones for route survey
  - Robust site diligence and route planning to minimize project cost and ROW issues

- **Project Planning & Scheduling**
  - Robust Pre bid estimation of ROW, Project Cost and Timelines resulting in assurity of returns
  - Solid vendor management and strong relationships adds to business sustainability and avoid cost escalations

- **Capital Management**
  - Takeout of construction debt post commissioning (eg: USPP issuance)
  - Maintained international investment grade rating while achieving impressive growth

- **Project Execution**
  - Complex projects experience: Completed HVDC project (~1000 kms) in a record time of 24 months
  - Contracting methodology focused on derisking – competitively awarded on fixed price & fixed time basis
  - Availability of large talent pool and in-house capabilities

- **Construction Finance**
  - Derisked financing through fully-funded plan
  - Revolving Construction facility of US$ 700mn for transmission and GMTN program of US$2 bn for AEML
  - LC facility to reduce financing cost & optimize funding schedule

- **Tech Enabled Operations**
  - Life cycle O&M planning
  - Reliability centered Maintenance
  - Remote operation of sub-stations and integration with Energy Network Operating Centre

EPC: Engineering, procurement, and construction; O&M: Operations & Maintenance; USPP: US Private Placement; LC: Letter of credit; GMTN: Global Medium-Term Note; AEML: Adani Electricity Mumbai Limited;
**Project Management & Assurance Group (PMAG) - End to End Project Integration**

**Concept**

- Bidding, Site Scouting
- Project Development & Basic Engineering
- Execution
- Operations

**Integrated Project Management**

- **Bidding Stage**
  - Integrating & providing cross functional support for Bidding Process
  - Site Location Assessment, coordinating for field visits
  - Bid stage scope finalization & technology adoption with engineering
  - Bid Stage Cost Estimates
  - In case of M&A’s, collaborating and assessment of asset

- **Project Development**
  - Collaborates for Technology finalization & Scope
  - Execution Strategy
  - Contracting Strategy
  - Detailed Project Report
  - Coordinating for connectivity & evacuation
  - Level 1 Project Schedule
  - Capex Budgets and Estimates
  - Risk Assessment & plan
  - Procurement Planning
  - Financial Closure Plans

- **Project Execution**
  - Integrated L3 Project Schedule
  - Baselining Cost and Resource plans
  - Issue & Risk Management
  - Supply Chain Management and Contract Administration
  - Contractor & Vendor Management
  - Change Management
  - Monitoring Approvals, Permits & Licenses
  - Managing Lenders & LIE interface
  - Cash Flow Management
  - Project Monitoring & Control
  - Mid Course Corrections (Catch up)

- **Project Close Out**
  - Facilitating the Handover & punch list closure
  - Contract Closures
  - Close Out Report
  - Material Reconciliation
  - Spares Handover
  - Closure of LIE and Lender Reports
  - Stakeholder Recognition
  - Finalizing the Final Costs
  - Ensuring built as per Drawings

**Strength:** Team of 90 professionals having hands-on experience of 2,000+ man-years of complete project management cycle of small, medium & large projects

**Strong Project Controls**

- M&A: Merger & Acquisition; LIE: Lender's Independent Engineer

**Collaborating & Convergence**

**Effective Project Delivery**

Energy Solutions
**Capital Management** Philosophy to achieve growth at scale with capital discipline

**AESL is the only private sector transmission and distribution company in India with International IG Rating**
- Long life contracted assets with sovereign counterparties in a stable regulatory regime (Transmission: 35 year concession, Distribution: Perpetual life)
- Capital structure designed through debt financing at longer tenure matching concession life and terms akin to stable assets

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**Project Construction Financing**
- Ensure senior debt availability for Project Construction
- Ensure NFB facility to bid for project

**Cash to Growth**
- LRA for future unfunded capex

**Post-Commissioning Phase**
- Debt Capital market refinancing at lower interest rate, longer tenure and terms akin to stable assets

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**Development Phase**

- **Demonstrated**
  - Raised green field finance over ~INR 140 Bn (USD 1.9 bn) for project construction
  - NFB limit of INR 1,150 crore (USD 153 mn)
  - Revolving Construction Facility of USD 700 mn
  - Construction Facility to be upsized to fund confirmed projects and upcoming project

- **Free Cashflow** from operational projects providing necessary equity capital for growth

**Post-commissioning Phase**

- 1st issuance - AESL Obligor Group: US$ 500 mn
- 2nd issuance - AESL Obligor Group: US$ 500 mn
- 30 year USPP issuance: US$ 400 mn
- AEML bond issuance: US$ 1 Bn
- AEML GMTN program: US$ 2 Bn (US$ 300 mn drawn)

- Future USD bonds/USPP raise via. Global Debt Capital Market (already demonstrated for operational projects)

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FCFE: Free Cash Flow for Equity; LRA: Liquidity reserve account; Mn: Million; Bn: Billion NFB: Non fund Based; GMTN: Global Medium-Term Notes, IG : Investment Grade, AEML: Adani Electricity Mumbai Limited, USPP: US Private Placement
Transmission
Transmission Business

Section 63 (Fixed tariff):
- 29 Transmission Assets
  - 20 Operating Assets
    - Levelised tariff: Rs 18 Bn p.a.
  - 9 Under-construction Assets
    - Levelised tariff: Rs 15 Bn p.a.

Section 62 (RAB Assets):
- 5 Transmission Assets
  - 4 Operating Assets
  - 1 Under-construction HVDC Asset

Key Characteristics:
- Concession Life: 35 years
- Counterparty: Network pool (Centre and State)
- No Throughput Risk (Availability based tariff)
- Efficiency-linked incentives >> higher returns

Market Opportunity:
- Rs 2,280 Bn (US$ 28 bn) opportunity for private sector over 10-15 years

Notes: 1) Tariff based competitive bidding (TBCB); RAB: Regulatory Asset Base, p.a.: per annum; HVDC: High Voltage Direct Current
Distribution Business

Section 62 (RAB Assets)

AEML
- Mumbai 400 sq km license area
- Regulated Asset Base: Rs 79 Bn

MUL
- Mundra SEZ 85 sq km license area
- Regulated Asset Base: Rs 0.8 Bn

Parallel Licensing (applied and proposed)
- Navi Mumbai & Thane
- Gautam Buddha Nagar
- Mundra Subdistrict

Key Characteristics
- License period: Perpetual
- Counterparty: Pool of 12 Mn+ consumers
- No throughput risk (RAB based returns)
- O&M costs are pass-through

Market Opportunity (new parallel distribution areas)
- Parallel Distribution Licensee: Target ≥ 20% of the total market size (38.8 BUs or ~4.5 Mn customers or Rs 200 Bn capital outlay)

RAB: Regulated Asset Base; AEML: Adani Electricity Mumbai Limited; MUL: MPSEZ (Mundra Port Special Economic Zone) Utility Limited; sq km: square kilometers; O&M: Operations & Maintenance
**AEML Distribution:** India’s No. 1 power utility, as per MoP, McKinsey, PFC (Scored 99.6/100)

**Largest Integrated utility in India’s Commercial Capital - Mumbai**

- Servicing 85% of Mumbai, touching 2/3 households of Mumbai
- Only mega city in the world to achieve 30% renewable power

**About Mumbai**

- 8th Most Populous City in World
- 25th Richest City in world based on GDP (US$)

**Mumbai Consumers**

- 2.2x Per capita income of India
- Rs 3,28,000 Per capita income of Mumbai (FY20)
- Rs 36,000 Avg Annual Electricity Bill of AEML Consumer
- ~6% Average electricity bill as % of per capita income

**AEML – Key Milestones Since Acquisition**

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<th>RAB Addition (Rs Crs)</th>
<th>Capitalised RAB (Rs Crs)</th>
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<td>FY18</td>
<td>FY21</td>
</tr>
<tr>
<td>Approved RAB</td>
<td>Forecast</td>
</tr>
<tr>
<td>483</td>
<td>1,243</td>
</tr>
<tr>
<td>5,532</td>
<td>7,978</td>
</tr>
</tbody>
</table>

**Capex-led growth in Regulated Asset Base to drive growth in returns (Rs. 46 Bn over FY24-26)**

**Distribution losses %**

| FY18 | FY23 |
| 8.1% | 5.9% |

**Average Billing Rate (Rs/unit ex FAC)**

| FY20 | FY21 | FY22 | FY23 |
| 9.2% | 7.6% | 7.5% | 7.5% |

**Note:** 1) Others include BEST, MSEDCL & Tata Power; 2) Source – Population Of Mumbai 2020 (Demographic, Facts, etc.) – India Population 2020

MoP: Ministry of Power; PFC: Power Finance Corporation; BKC – Bandra Kurla Complex; MW: Mega Watt; GDP, GDP: Gross Domestic Product; CAGR: Compound Annual Growth Rate, RAB: Regulatory Assets Base; FAC: Fuel Adjustment Charges; Map not to scale
### MPSEZ Utilities Limited (MUL) - Overview

**Mundra SEZ is strategically located with well developed supporting infrastructure serving as an attractive industrial hub**

- Electricity Distribution for Mundra SEZ area
- 160 Kms Distribution network
- Catering primarily to commercial and industrial consumers
- Section 62 (RAB Based) asset governed by Gujarat Electricity Regulatory Commission

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- Mundra SEZ is India’s largest multi-product SEZ spread across 84 sq km
- Mundra port is India’s largest private commercial port with capacity to handle cargo of ~264 MMT
- SEZ also has a huge land bank reserve for large-scale industries in future
- Given the large industry cluster opportunity in Mundra SEZ area and the accompanying expected growth in power demand, AESL is well placed to grow the MUL business

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Note: 1) As per Tariff Petition for FY23 and True-up Order for 2020-21; 2) Normative level as per FY23 tariff order; 3) MUL signed a co-developer agreement with APSEZ providing it a deemed licensee status from 2011 for the SEZ license area valid till 2036

MUL: MPSEZ Utilities Limited; AESL: Adani Energy Solutions Ltd.; MMT: Million Metric Tons; SEZ: Special Economic Zone; MU: Million Units; Mn: Million, RAB: Regulated Asset Base; PPC: Power Purchase Cost; GW: Giga watts; Map not to scale
Smart Metering
Smart Metering Business

Smart Metering

DBFOOT (Totex Model) Capex + Opex

Under Implementation

7 Contracts (16.2 Mn Meters)

Contract Value: Rs 197 billion

Market Opportunity

250 mn meters - Capital investment of ~INR 2,200 bn by 2026

Key Characteristics

Contract period: 10 Years

Payment Security through Direct debit facility

Counterparty: Pool of over 80 million consumers

Enhanced energy efficiency and RE integration

Roveling capex model aided by upfront billing

Note: LOA: Letter of Award: Selected as preferred bidder, contract under negotiation; DBFOOT: Design, Build, Finance, Own, Operate, Transfer; RE: Renewable Energy; Contract smart meters (million): BEST – 1.1 mn, Assam – 0.8 mn, Andhra – 2.8, MSEDCL: 11.6
Smart Metering Contractual Framework

Payment Flow under the Direct Debit Facility Agreement (DDF Agreement)

- Payments shall commence one month after "Operational Go Live" Operational Go-Live shall be considered upon successfully installing 25K nos. of smart meters
- All payments due to AMISP shall be governed under the DDF Agreement
- Direct Debit Facility Agreement uniform to all discoms, finalized by REC being the Nodal Agency
- Payment shall be made through ‘Direct Debit Facility’ (DDF) from a dedicated account to the account of the SPV
- Direct Debit facility will include bucket filling approach whereby all consumer bill payments to the extent of the invoice smart meter will be routed to the SPV’s Bank account

Key Highlights of the Contractual Framework

- Implementation model – Design, Build, Finance, Own, Operate, Transfer (DBFOOT) model with complete responsibility of development and O&M on Implementing agency (AMISP)
- End to End Smart Metering services with a contract period of 10 years, and Smart Meter, including installation period of 27 months
- Revenue inflows are received immediately on installation
- Monthly fees for assuring meter installation and its integration with system

AMISP: Advanced Metering Infrastructure Service Provider; GBS: Government Budgetary Support
Market Dynamics – Smart Metering Business

- AESL’s Market Share (LOA and L1) – 31% out of 109 Mn Smart Meters tendered so far
- Untapped market – 141 Mn Smart meters

AESL has an LOA for 16.2 Mn smart meter qty. with an order value of Rs 197 billion (US$ 2.4 bn)

AESL’s Core Strengths and Available Synergies:
Distribution & Smart Metering Experience  I  Expanding Distribution business across India  I  Pan India presence

Source: Ministry of Power  (PowerLine) | 1. ‘Bid Out’ includes awarded (LOA) & L1 (negotiation stage) ; Note: DBFOOT: Design, Build, Finance, Own, Operate, Transfer; LOA: Letter of Award; Map not to scale;
District Cooling
District Cooling Business

The District Cooling System (DCS) produces chilled water in a central plant and distributes cooling capacity in the form of chilled water from the central plant to multiple buildings through a network of underground pipes for use in space and process cooling.

- Large Addressable Market and Existing Synergies
  - Opportunity to unlock potential in nation-wide Infrastructure (airports, data centers, SEZs, reality space)
  - Limited competition and presence

- Demographic and economic trends to drive cooling demand
  - Rising per capita income & urbanization coupled with higher AC ownership (penetration of 8% in 2022) cooling energy consumption will increase

- DCS demand to be driven by four key segments
  - Airports, Industrial Cooling, Commercial Real Estate and Data Centers are the primary segments which will drive the demand

- Integrated Utility Offering
  - Potential to offer as an integrated solution along with power transmission, distribution, smart metering and power trading

- ESG Integration
  - Sustainable Cooling Solution for a Low Carbon Future

Sources: CEA, ICAP, IEA, World Economic Forum, Statista, Daikin, NROD, Praxis, CREDAI/CBRE, Adani Connex, Boeing, Internal analysis.
DCS: District Cooling System; ESG: Environment, Social & Governance; SEZ: Special Economic Zones.

Picture source: Hisaka Asia
Four key segments to drive India’s DCS demand

- **Commercial Real Estate**: To experience growth from 0.6 bn sqft (2019) to 1 bn sqft (2030).
- **Industrial Cooling**: Global industrial cooling market, expected to reach ~$27 billion by 2030 @ CAGR of 5%.
- **Data Centers**: Data center cooling market growing @ CAGR of 22% to $700 Mn over next 5 years.
- **Airports**: Indian air passenger traffic to double (vs pre-Covid level) by 2030.

Cumulative Cooling Demand from key segments by FY30 (in Mn TR)

Source: Cooling India, ICAP, Praxis, CREDAI/CBRE, CEA, IEA, EIA, Adani Connex, Boeing. Internal analysis
Notes: 1) Cum. Cooling demand (new) and DCS market potential is considered from FY 24-25 onwards
TR: A ton of refrigeration; CAGR: Compounded Annual Growth Rate
ESG Framework and Investment Case
**AESL: ESG Framework**

**Guiding Principles and Disclosure Standards**
- United Nations Global Compact
- GHG Protocol
- SBTi
- TCFD
- IR framework reporting
- CDP disclosure
- UN Sustainable Development Goals
- GRI Standards

**Policy Structure**

**E**
- Environment Policy
- Energy Management System

**S**
- Corporate Social Responsibility Policy
- Occupational Health & Safety Policy
- Customer Grievance Redressal Mechanism

**G**
- Corporate Social Responsibility Committee
- Corporate Responsibility Committee
- Risk Management Committees
- Stakeholders Relationship Committee

**Focus Areas**

**UNSDG aligned:**
- Affordable & Clean Energy
- Sustainable Cities and Communities
- Climate Action
- Good Health & well being
- Quality Education
- Industry, Innovation & Infrastructure
- Consumer empowerment

**Others:**

**ESG Ranking**
- MSCI (2023): BBB
- S&P CSA (2022) scored 59/100 vs. world electric utility average of 31
- FTSE (2023): 4/5 (world utilities avg. 2.7/5)

**Our Commitment:**
- Increase renewable power procurement to 60% by FY27 (achieved 30% RE in FY23) (SDG 7)
- Reduce GHG Emission Intensity\(^{(1)}\) to 40% by FY25, 50% by FY27 and 60% by FY29 (SDG 13)
- Achieve Zero Waste to Landfill\(^{(2)}\) for all operational sites (achieved in FY23)
- Achieve Single Use Plastic Free\(^{(2)}\) (achieved in FY23)

**Notes:**
1. GHG Emission Intensity = tCO₂ / Rs Cr EBITDA
2. Confederation of Indian Industry-ITC Centre of Excellence for Sustainable Development (CII-ITC CESD) certified SUP Free status to 37 operational sites of AESL, i.e., 30 substations and 7 transmission line clusters including stores;
3. AEML, being subsidiary of AESL with ~40% of reported EBITDA share, reports disclosures through AESL;
4. AEML is in process to adopt the guiding principles for independent reporting I UNSDG – United Nation Sustainability Development Goals I TCFD - Task Force on Climate-Related Financial Disclosures I SBTi - Science Based Targets initiative I CDP - Carbon Disclosure Rating GHG – Green House Gas

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AESC: Compelling Investment Case

Favorable Industry Landscape
- Evolved and stable regulatory regime has enabled growth of AESL's business into multiple segments (Transmission, Distribution, Smart metering, District cooling) within energy domain
- Focus on Grid reliability, consumerism and shift to RE based power propelled investments in across the value chain

Development and Construction Expertise
- Proven track record of excellence in development & construction of Transmission systems and asset hardening at AEML
- AESL remains competitive at bidding stage due to scale benefits and geographical presence across the country
- Solid vendor management and strong relationships adds to business sustainability and avoid cost escalations

Operational and Execution excellence
- Energy network operation center (ENOC) allows remote monitoring and diagnostics to enhance O&M efficiency
- Robust operational metrics - line availability, supply reliability, distribution loss, affordable tariffs
- One of the lowest O&M cost through predictive maintenance and technology excellence

Capital Management Philosophy
- Capital structure designed through debt financing at tenure matching concession life and terms akin to stable assets
- AESL is the only private sector transmission and distribution company in India with International IG Rating

Capital Allocation and turnaround capability
- Disciplined approach towards new project bidding and acquisitions; stringent IRR (returns) threshold
- Commitment to maintain strong credit profile and investment grade rating
- Strong track record of acquisition and turn around of transmission and distribution assets

T&D: Transmission and Distribution; IG: Investment Grade; O&M: Operation and Maintenance; IRR: Internal Rate of Return
AESL: Board and Management Team

**Strong Sponsorship**
- Mr. Gautam S. Adani (Chairman)
- Mr. Rajesh S. Adani (Director)
- Mr. Anil Sardana (MD, AESL)

**Managing Director**
- Mr. K. Jairaj
- Dr. Ravindra H. Dholakia
- Mrs. Meera Shankar
- Ms. Lisa MacCallum

**Independent Directors**

**Skilled and Experienced Management Team**
- Mr. Anil Sardana (MD, AESL)
- Mr. Bimal Dayal (CEO, Transmission)
- Mr. Kandarp Patel (CEO, Distribution)
- Mr. Rohit Soni (CFO, AESL)
- Mr. Kunjal Mehta (CFO, AEML)

**Strong governance framework with focus on transparency and independence**
# Annexures

<table>
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<tr>
<th>Page Range</th>
<th>Title</th>
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</thead>
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<td>40-42</td>
<td>Project Level Details – Asset Portfolio</td>
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</table>
## AESL: Key Environmental Indicators and Milestones

### Key Performance Indicators

<table>
<thead>
<tr>
<th>Energy Mix &amp; Emission Intensity</th>
<th>Current Status</th>
<th>Baseline</th>
<th>Medium to Long-term Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Key Performance Indicators</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Energy Mix &amp; Emission Intensity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- RE share in power procurement</td>
<td>AEML has <strong>achieved 30% renewable</strong> in power mix in March 2023</td>
<td>3%</td>
<td>30% by 2023 (achieved)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>60% by FY27</td>
</tr>
<tr>
<td>- GHG Emission Intensity Reduction</td>
<td>The target for GHG emissions reduction is in line with Nationally Determined Contribution (NDC) for climate change. Disclosed in terms of a reduction in GHG per unit of revenue.</td>
<td>-</td>
<td>40% by FY25</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>70% by FY30</td>
</tr>
<tr>
<td><strong>Waste Reduction and Biodiversity Management</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Zero waste to landfill (ZWL)</td>
<td>Secured ZWL status from Intertek</td>
<td>No certification in FY19-20</td>
<td>Achieved <strong>ZWL for all O&amp;M sites in May 2022</strong></td>
</tr>
<tr>
<td></td>
<td>- Covered all operational sites (substations and TLs) of AESL</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Achieved landfill diversion rate exceeding 99%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Single use plastic (SuP) free sites</td>
<td>Attained SUP free status from CII-ITC CESD</td>
<td>No certification in FY19-20</td>
<td>Achieved <strong>SUP free status for 37 sites in March 2023</strong></td>
</tr>
<tr>
<td></td>
<td>- Covered 37 operational sites of AESL</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Strengthening alignment with UNSDG 12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- India Business Biodiversity Initiative (IBBI) and ensure no net loss to biodiversity</td>
<td></td>
<td>FY20-21 289 hectares</td>
<td>No net loss to biodiversity and 100% alignment with IBBI and IBBI principles based public disclosures by FY23-24</td>
</tr>
<tr>
<td></td>
<td>- Signatory to IBBI and submitted first progress report in 2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Afforestation of <strong>441 hectares area</strong> in FY21-22</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Water Neutrality (Water conservation)</td>
<td></td>
<td>No water neutrality in FY 19-20</td>
<td>Secured <strong>Net Water Positive Certification</strong> for all O&amp;M sites in November 2022</td>
</tr>
<tr>
<td></td>
<td>- Achieved &quot;Net Water Positive&quot; status for <strong>30 substations and 07 TL clusters</strong> under UNSDG 6</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Carried-out rainwater harvesting feasibility study and implemented water metering across all sites</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Energy Efficiency and Management</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Reduction in auxiliary consumption through solar power</td>
<td><strong>3.362 MWp solar capacity</strong> at Mahendragarh, Akola, Koradi, Sami, Morena, Rajnandgaon</td>
<td>Solar capacity of <strong>1.7 MWp</strong> in FY19-20</td>
<td>Coverage across all transmission Sites</td>
</tr>
</tbody>
</table>
## AESL: Key Social Indicators and Milestones

<table>
<thead>
<tr>
<th>Material Categories</th>
<th>Material Themes</th>
<th>Key Performance Indicators</th>
<th>Baseline</th>
<th>Target (FY23-24)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health &amp; Safety</td>
<td>Work related injury</td>
<td>Rate of fatalities per million hours worked</td>
<td>Zero (FY 20-21)</td>
<td>Zero</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rate of recordable work-related injuries per million man-hours worked</td>
<td>0.33 (FY 20-21)</td>
<td>Zero</td>
</tr>
<tr>
<td></td>
<td>Safety awareness and training</td>
<td>Average hours of training provided per person on health and safety</td>
<td>15.6 (FY 20-21)</td>
<td>Further improve from baseline</td>
</tr>
<tr>
<td>Diversity and Inclusion</td>
<td>Measurement of Diversity and Inclusion Metrics and</td>
<td>Women as a percentage of new hires and total workforce (%)</td>
<td>New Hire: 5% Total Workforce: 5%</td>
<td>New Hire: 10% Total Workforce: 6%</td>
</tr>
<tr>
<td></td>
<td>Enforcement of policies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human Rights</td>
<td>Training on human rights</td>
<td>Employees trained in human rights policies or procedures (%)</td>
<td>-</td>
<td>100%</td>
</tr>
<tr>
<td>Skills for the future</td>
<td>Skill development trainings</td>
<td>Training and development expenditure for employees (INR)</td>
<td>Rs 3.81 Cr (FY 20-21)</td>
<td>Rs 4.69 Cr</td>
</tr>
<tr>
<td>Responsible Procurement</td>
<td>Proportion of spending on local suppliers (%)</td>
<td>Spend on local suppliers against the total procurement budget (%)</td>
<td>99.4 % (FY 20-21)</td>
<td>Maintain FY21 Performance</td>
</tr>
<tr>
<td></td>
<td>Supplier screening on ESG metrics</td>
<td>Suppliers screened on ESG criteria (%)</td>
<td>100% (Critical Suppliers)</td>
<td>100% (Critical Suppliers)</td>
</tr>
</tbody>
</table>
# AESL: Key Governance Indicators and Milestones

<table>
<thead>
<tr>
<th>Material Categories</th>
<th>Material Themes</th>
<th>Key Performance Indicators</th>
<th>Baseline</th>
<th>Actions Taken and Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Board Gender Diversity</strong></td>
<td>Board Gender Diversity</td>
<td>Balance the board composition in terms of men and women directors</td>
<td>16.6% - women directors in board as of FY21</td>
<td>• % of women directors in board improved to 28.5%</td>
</tr>
<tr>
<td><strong>Board Independence</strong></td>
<td>Great Board Independence and Improved Disclosures</td>
<td>• Improve board strength and independence</td>
<td>6 directors as of FY21</td>
<td>• Board now comprises of total 7 directors with 4 independent directors</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Incorporate non-statutory committees</td>
<td></td>
<td>• Enhanced disclosures through formation of new committees with min. 50% IDs (CRC, RMC, PCC, IT &amp; Data Security)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Enhance disclosures in board &amp; committee meetings</td>
<td></td>
<td>• Committees chaired by Independent Directors (Audit, NRC, STC)</td>
</tr>
<tr>
<td><strong>Code of Conduct</strong></td>
<td>Corruption and Bribery Cases</td>
<td>• Number of Corruption cases and Bribery and Associated Risks</td>
<td>Zero corruption cases</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Adoption of Anti Corruption and Bribery Policy</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• % of Governance body members and employees trained on anti-corruption</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Anti-competitive Practices</strong></td>
<td>Fines and Settlements</td>
<td>• Fines or settlements paid related to anti-competitive business practices (INR)</td>
<td>Zero as of FY21</td>
<td>• Zero in FY23 and beyond</td>
</tr>
</tbody>
</table>
| **Customer orientation and satisfaction** | Consumer Satisfaction | • Affordable tariffs  
• Service reliability  
• Sustainable power | Distribution loss reduction, CSAT surveys, Reliability metrics | • Competitive tariff through RE power  
• Option to switch to Green power tariff  
• Advanced metering implementation for 12 million consumers |
| **Corporate Governance Standing** | ESG Ratings                                      | Improvement in ratings through improved disclosures and adoption of best practices         | CSA: 59/100; FTSE: 3.3/5                     | Target 2023-24: CSA – 67/100 and FTSE: 3.6/5                                                            |

Notes:
- A) List of non-statutory committees: CRC: Corporate Social Responsibility & Sustainability Committee; PRC: Public Consumer Committee; Information Technology & Data Security Committee; RMC: Risk Management Committee;
- B) List of statutory committees: SRC: Stakeholders’ Relationship Committee; NRC: Nomination and Remuneration Committee; STC: Securities and Transfer Committee; Audit Committee;
- C) Sub-committees under Risk Management Committee: Mergers & Acquisitions Committee; Legal, Regulatory & Tax Committee; Reputation Risk Committee
AESL: Enhanced Safety Culture

Safety Initiatives During Q1FY24

- **Safety training**: 47,130 man-hours of safety training and awareness during Q1 FY24
- **Positive Safety Culture**:
  - Enhanced safety awareness through Monthly Safety Quiz Series (MSQS)
  - Conducted ‘Electrical Safety at Home’ & ‘Electrical, Fire Safety & Cracker Safety’ Webinar for Consumers, Employees & General Public
  - Campaign on ‘UCHAAI: Knowing Heights Better’ conducted at multiple sites on 5C model (Climb, Control, Competence, Capacity and Check)
- **Safety Checks and Assurances (SCA)**: To strengthen safety and increase the effectiveness of safety management at sites, quarterly safety checks and assurance on 3 pre-declared topics are given by sites
  - "Saksham" - Mandatory Contractor Workmen Incubation & Induction Program was conducted at various sites to enhance training effectiveness
- Awarded with **21st Annual Greentech Safety Award 2023** in safety excellence category
- Received **OHSSAI Foundation’s Safety Award** in Gold Category in AEML business
- Observance of Fire Service Week across all locations.

Safety Performance in Q1FY24

<table>
<thead>
<tr>
<th>Safety Parameters</th>
<th>Transmission</th>
<th>Distribution (AEML)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Near Miss Reporting (Awareness)</td>
<td>Q1FY24: 1,370 Q1FY23: 1,391</td>
<td>Q1FY24: 1,472 Q1FY23: 1,364</td>
</tr>
<tr>
<td>Suraksha Samwad (Safety Dialogue)</td>
<td>Q1FY24: 1,902 Q1FY23: 2,925</td>
<td>Q1FY24: 7,306 Q1FY23: 8,546</td>
</tr>
<tr>
<td>LTI</td>
<td>Q1FY24: 1 Q1FY23: 0</td>
<td>Q1FY24: 1 Q1FY23: 5</td>
</tr>
<tr>
<td>Fatalities</td>
<td>Q1FY24: 0 Q1FY23: 0</td>
<td>Q1FY24: 0 Q1FY23: 1</td>
</tr>
<tr>
<td>LTIFR (LTI Frequency Rate)</td>
<td>Q1FY24: 0.32 Q1FY23: 0</td>
<td>Q1FY24: 0.2 Q1FY23: 0.94</td>
</tr>
<tr>
<td>LTI (LTI Severity Rate)</td>
<td>Q1FY24: 6.38 Q1FY23: 0</td>
<td>Q1FY24: 10.83 Q1FY23: 1148.67</td>
</tr>
<tr>
<td>Safety training (in Man-Hours)</td>
<td>Q1FY24: 34,178 Q1FY23: 39,192</td>
<td>Q1FY24: 12,952 Q1FY23: 7,718</td>
</tr>
</tbody>
</table>

Notes: LTI frequency rate and LTI severity rate lower the better; LTI Frequency Rate: Reportable loss time injury (RLTI)*1000000/Man hours worked; LTI severity Rate: Man days Lost (MDL)*1000000/Man hours Worked
Attractive Industry Opportunity supported by an Evolved and Stable Regulatory Regime

Section 62 (ROA) Tariff Method - Multi Year (5 yr) Tariff

<table>
<thead>
<tr>
<th>Costs</th>
<th>O&amp;M Expenses</th>
<th>Power Procurement Costs</th>
<th>All other costs</th>
</tr>
</thead>
</table>

RAB Components (Regulated Debt and Equity)

<table>
<thead>
<tr>
<th>Return on Capital</th>
<th>Interest Costs (Term debt and Working Capital)</th>
<th>Return on Equity grossed up for tax</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Efficiency Gains</th>
<th>Additional incentives linked to efficiencies</th>
</tr>
</thead>
</table>

Total @ 90% RAB (Salvage Value @ 10%)

Depreciation

Section 63 (TBCB) Tariff Method – License Period Basis

- Annual charge for a 35-year period is set through the bidding process
- Projects are bid either on BOOM or BOOT basis (residual life of assets normally exceed TSA period/concession period)
- Tariff is adopted by the relevant Electricity Regulatory Commission (ERC)

Annual Fixed Tariff for concession period

Escalable Tariff (if any)

Incentives (Linked to Availability)

= TBCB (Sec. 63)

Regulatory landscape

- CERC and SERC established & predictable in maintaining and defining tariffs

CERC and state regulatory body (e.g., MERC, RERC) determine:
  - Return on assets (ROA)
  - Adopt TBCB tariffs
  - Incentive triggers

MYT Determination

- CERC – 20 years track record
- MERC – 19 years track record

Transmission: Payment Pooling Mechanism Reduces Counterparty Risk

Transmission System Users

- All demand / drawal nodes
- All generator / injection nodes

Billed as single charge per Generator / Demand Node Payment (MW / month)

CTU (PGCIL) / STU acts as revenue aggregator

Billed as per regulatory / bid tariff profile

Transmission Licensees

PGCIL + Private Sector Transmission Licensees

MYT – Multi Year Tariff; EA 2003: Electricity Act, 2003; CTU – Central Transmission Utility; STU – State Transmission Utility; CERC – Central Electricity Regulatory Commission; MERC – Maharashtra Electricity Regulatory Commission; RERC - Rajasthan Electricity Regulatory Commission; BOOM – Build, Own, Operate and Maintain, PPA – Power Purchase Arrangement, BOO – Build, Own and Operate, BOT – Build Operate and Transfer; PGCIL – Power Grid Corporation of India Ltd; TBCB: Tariff Based Competitive Bidding
Case Study: Transformational Capital Management Plan Resulting in Value Unlocking at AEML (India’s No. 1 Power Utility)

Capital structure consistent with underlying business philosophy
- Elongated maturity reflecting perpetual nature of business
- High quality stable cashflow profile to ensure IG metrics – reduced cost of debt
- Diversified and deep investor base, to provide stability
- Fully funded long term capex program

Notes: QIA: Qatar Investment Authority; ECB: External Commercial borrowings, Bn: Billion; US$: United State dollar; IG: Investment Grade; GMTN: Global medium-term notes; D/E: Debt to equity ratio, RAB: Regulatory Asset Base

**Stage - 1 (Acquisition): Aug-18**
- On acquisition, introduced efficient capital structuring - debt financing of USD 1.1 bn
- Debt from Domestic Banks
- Fresh capex debt (D/E 70:30) at competitive pricing

**Stage - 2 (Post Acquisition): Feb-20**
- QIA’s acquisition of 25.1% stake
- Debt reduction through shareholder sub-debt of US$ 282 mn
- Refinancing through US$ 1 bn IG non amortizing bond
- US$ 400 mn ECB Capex revolver facility to fully fund Capex program

**Stage - 3 (Recent): Jun-21**
- Revolving ECB Capex facility used for RAB growth
- Asset hardening improved operational efficiency promoting affordable tariff
- Successfully placed US$ 2bn GMTN program to replace ECB in July 2021

**Stage - 4 (Proposed): Mar-25**
- 100% of term debt placed in international capital markets.
- Diversified global investor base to provide stability
- Elongated maturity → liquidity
- Prudent Capital Management plan to enhance credit quality
AESL and AEML Credit Ratings

International – ATSOL Obligor Group (Transmission business) (Reg S/ 144A)

<table>
<thead>
<tr>
<th>Rating Agency</th>
<th>Facility</th>
<th>Rating/Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fitch</td>
<td>Dollar Bond</td>
<td>BBB-/Stable</td>
</tr>
<tr>
<td>Moody’s</td>
<td>Dollar Bond</td>
<td>Baa3/Negative</td>
</tr>
</tbody>
</table>

International – AESL USPP (Transmission business) (Reg D)

<table>
<thead>
<tr>
<th>Rating Agency</th>
<th>Facility</th>
<th>Rating/Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fitch</td>
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</tr>
<tr>
<td>Moody’s</td>
<td>Dollar Bond</td>
<td>Baa3/ Stable</td>
</tr>
</tbody>
</table>

International – AEML US$ 1 bn (Reg S/144A) and US$ 300 mn GMTN (Distribution business)

<table>
<thead>
<tr>
<th>Rating Agency</th>
<th>Facility</th>
<th>Rating/Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fitch</td>
<td>Dollar Bond (for both)</td>
<td>BBB-</td>
</tr>
<tr>
<td>S&amp;P</td>
<td>Dollar Bond (US$ 1 bn)</td>
<td>BBB-/Negative</td>
</tr>
<tr>
<td>Moody’s</td>
<td>Dollar Bond (for both)</td>
<td>Baa3/Negative</td>
</tr>
</tbody>
</table>

SPV Ratings - Domestic

<table>
<thead>
<tr>
<th>Company</th>
<th>Rating Agency</th>
<th>Rating</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>AESL</td>
<td>India Ratings</td>
<td>AA+</td>
<td>Negative</td>
</tr>
<tr>
<td>AESL</td>
<td>ICRA</td>
<td>A1+</td>
<td>Stable</td>
</tr>
<tr>
<td>MEGPTCL</td>
<td>India Ratings</td>
<td>AA+</td>
<td>Negative</td>
</tr>
<tr>
<td>ATIL</td>
<td>India Ratings</td>
<td>AA+</td>
<td>Negative</td>
</tr>
<tr>
<td>WTGL</td>
<td>India Ratings</td>
<td>AAA</td>
<td>Stable</td>
</tr>
<tr>
<td>WTPL</td>
<td>India Ratings</td>
<td>AA+</td>
<td>Stable</td>
</tr>
<tr>
<td>MTSCL</td>
<td>India Ratings</td>
<td>AA-</td>
<td>Stable</td>
</tr>
<tr>
<td>ATSCCL</td>
<td>CARE</td>
<td>A</td>
<td>Stable</td>
</tr>
<tr>
<td>ATBSPL</td>
<td>India Ratings</td>
<td>AA-</td>
<td>Positive</td>
</tr>
<tr>
<td>FBTL</td>
<td>CARE</td>
<td>A+</td>
<td>Stable</td>
</tr>
<tr>
<td>OBTL</td>
<td>CARE</td>
<td>A</td>
<td>Stable</td>
</tr>
<tr>
<td>AEML</td>
<td>India Ratings / Crisil</td>
<td>AA+</td>
<td>Stable</td>
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<tr>
<td>JKTL</td>
<td>India Ratings</td>
<td>A-</td>
<td>Stable</td>
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<tr>
<td>WKTL</td>
<td>India Ratings</td>
<td>A-</td>
<td>Stable</td>
</tr>
<tr>
<td>Alipurduar</td>
<td>India Ratings / Crisil</td>
<td>AAA</td>
<td>Stable</td>
</tr>
</tbody>
</table>
# Smart Metering – Key Benefits

**Technology transformation**
Key technology towards the transformation of power sector in India

**Real time information**
Measures electricity consumption & communicates the consumption reading to the power utilities

**Two-way communication**
Between the meter and the power utility through cellular communication or radio frequency

## Key Benefits

<table>
<thead>
<tr>
<th>Improved Cash Flows</th>
<th>Customer Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Upfront collection of dues and “Pay-as-per-use model” to eradicate arrears</td>
<td></td>
</tr>
<tr>
<td>- Reducing working capital requirements</td>
<td></td>
</tr>
<tr>
<td>- Reduced meter reading charges, bill printing, manpower cost</td>
<td></td>
</tr>
<tr>
<td>- Field situation awareness to reduce theft and average / estimated billing</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reduction in Operational costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Automatic monitoring of SAIFI, SAIDI</td>
</tr>
<tr>
<td>- Quicker response time to fault removal / consumer complaints</td>
</tr>
<tr>
<td>- Control over consumption</td>
</tr>
<tr>
<td>- Accurate estimates for network upgradation</td>
</tr>
<tr>
<td>- Real-time assessment of system performance</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Improved Supply Quality</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Enhancing consumer participation</td>
</tr>
<tr>
<td>- Consumer profile, consumption pattern on real time basis.</td>
</tr>
<tr>
<td>- Increases accuracy of meter reading</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ESG &amp; RE Integration</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Data analytics helps load disaggregation, forecasting &amp; consumption</td>
</tr>
<tr>
<td>- Time of Day (TOD) tariff matched with RE generation</td>
</tr>
<tr>
<td>- Efficient &amp; sustainable energy management</td>
</tr>
<tr>
<td>- Helps people revise their consumption habits</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Improved Energy Accounting</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Enables mapping of consumer demand, feeder wise loading</td>
</tr>
<tr>
<td>- Identification of pilferage / high-loss pockets</td>
</tr>
</tbody>
</table>

SAIFI: System Average Interruption Frequency Index, SAIDI: System Average Interruption Duration Index
### AESL’s Operational Asset Portfolio (T&D) as of August 2023

#### Adani Energy Solutions Limited

<table>
<thead>
<tr>
<th>ATIL</th>
<th>MEGPTCL</th>
<th>AEML</th>
<th>DISCOM</th>
<th>INR 6,000 MVA c. 3</th>
<th>INR 12.1 Bn Centre State 148 ckms</th>
<th>INR 18.2 Bn Centre State 292 ckms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Munda - Dehgam (Mundra - Mohin-dergarh)</td>
<td>Tiroda - Aurangabad</td>
<td>Adani Electricity (Mumbai) Ltd.</td>
<td>MPSEZ Utilities (Mundra SEZ Area)</td>
<td>Western Transmission (Gujarat)</td>
<td>Western Transmission (Maharashtra)</td>
<td>Raipur - Rajnandgaon - Warora</td>
</tr>
</tbody>
</table>

#### Operating Assets

<table>
<thead>
<tr>
<th>Transmission line length</th>
<th>Transformation capacity</th>
<th>Residual concession life / License period</th>
<th>Contract Type</th>
<th>Counterparty</th>
<th>Asset Base(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,834 ckms</td>
<td>1,217 ckms</td>
<td>573 ckms</td>
<td>148 ckms</td>
<td>397 ckms</td>
<td>3,063 ckms</td>
</tr>
<tr>
<td>6,630 MVA</td>
<td>6,000 MVA</td>
<td>3,250 MVA</td>
<td>360 MVA</td>
<td>1,360 MVA</td>
<td>-</td>
</tr>
<tr>
<td>c. 27 years</td>
<td>c. 30 years</td>
<td>c. 14 years</td>
<td>c. 11 years</td>
<td>c. 29 years</td>
<td>c. 30 years</td>
</tr>
</tbody>
</table>

#### Regulated return (ROA)

<table>
<thead>
<tr>
<th>Centre / State</th>
<th>State</th>
<th>State</th>
<th>State</th>
<th>State</th>
<th>State</th>
<th>State</th>
<th>State</th>
<th>State</th>
<th>State</th>
<th>Centre</th>
<th>Centre</th>
<th>Centre</th>
<th>Centre</th>
<th>Centre</th>
<th>Centre</th>
<th>Centre</th>
</tr>
</thead>
<tbody>
<tr>
<td>INR 49.6 Bn</td>
<td>INR 57.7 Bn</td>
<td>INR 75 Bn</td>
<td>INR 0.4 Bn</td>
<td>INR 3.9 Bn</td>
<td>INR 18.2 Bn</td>
<td>INR 2.2 Bn</td>
<td>INR 10.8 Bn</td>
<td>INR 1.3 Bn</td>
<td>INR 9.5 Bn</td>
<td>INR 5.4 Bn</td>
<td>INR 4.4 Bn</td>
<td>INR 5.5 Bn</td>
<td>INR 8.9 Bn</td>
<td>INR 18.2 Bn</td>
<td>INR 7.4 Bn</td>
<td>INR 7.0 Bn</td>
</tr>
</tbody>
</table>

#### Notes:
- ATIL - Adani Energy Solutions (India) Limited; MEGPTCL - Maharashtra Eastern Grid Power Transmission Co. Limited; AEML - Adani Electricity Mumbai Limited (Distribution business); ATBSPL - Adani Energy Solutions Bikaner Sikar Private Limited; STL - Sipat Transmission Limited; RRWT - Raipur Rajnandgaon Warora Transmission Limited; CWTL - Chhatisgarh WR Transmission Limited; ATRL - Adani Energy Solutions (Rajasthan) Limited; ATSSL - Aravali Transmission Service Company Limited; MTSSL - Maru Transmission Service Company Limited; WRSS - Western Region System Strengthening Scheme (Maharashtra); WRSS G - Western Region System Strengthening Scheme Gujarat; (1) Asset base for operational assets as per project cost and Mumbai OTO (AEML) as per Regulated Asset Base.

#### Projects Operationalised in FY23

<table>
<thead>
<tr>
<th>Ogra-C Badaun</th>
<th>Lakadia Banaskantha</th>
<th>WRSS - XXI (A)</th>
<th>Jam Khambaliya</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obra</td>
<td>Lakadia Banaskantha</td>
<td>Lakadia - Bhuji</td>
<td>Jam Khambaliya</td>
</tr>
</tbody>
</table>
AESL's Under-construction Transmission Asset Portfolio as of August 2023

Since AESL’s evolution its Transmission Network (ckms) has grown 3.5x and expanded into Distribution businesses

AESL’s “Grid-to-Switch” Integrated Platform
- Transmission Line (Ckms)
- Distribution Customers (mn)

---

### Under Construction

<table>
<thead>
<tr>
<th>Asset</th>
<th>Transmission line length</th>
<th>Transformation capacity</th>
<th>Residual concession life / License period</th>
<th>Contract type</th>
<th>Counterparty</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>304 ckms</td>
<td>1,060 ckms</td>
<td>74 ckms</td>
<td>80 ckms</td>
<td>221 ckms</td>
</tr>
<tr>
<td>B</td>
<td>1,000 MVA</td>
<td>2,736 MVA</td>
<td>1500 MVA</td>
<td>3500 MVA</td>
<td>4,500 MVA</td>
</tr>
<tr>
<td>C</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>D</td>
<td>Fixed tariff (TBCB)</td>
<td>Fixed tariff (TBCB)</td>
<td>Fixed tariff (TBCB)</td>
<td>Regulated return (PPA)</td>
<td>Fixed tariff (TBCB)</td>
</tr>
<tr>
<td>E</td>
<td>Centre</td>
<td>Centre</td>
<td>Centre</td>
<td>Centre</td>
<td>Centre</td>
</tr>
<tr>
<td>F</td>
<td>INR 6.7 Bn</td>
<td>INR 12 Bn</td>
<td>INR 18.9 Bn</td>
<td>INR 70 Bn</td>
<td>INR 12 Bn</td>
</tr>
</tbody>
</table>

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### Recently Won and Acquired

- North Karanpura Transmission System
- MP Power Transmission Package-II Ltd
- Warora - Kurnool
- HVDC Mumbai
- Khavda Bhuj Transmission
- Karur Transmission
- WR SR Transmission (Narendra-Pune Line)
- Khavda-II-A Transmission
- Khavda Pooling Station

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Notes: (1) Asset base for under-construction assets – as per the estimated project cost as of March 2023. (2) Provisional Commercial Operation Date (CCOD). NKTL = North Karanpura Transco Limited; GTP: Ghatampur Transmission Limited; OBTL: Obra Transmission Limited; LBTL: Lakadia Bhuj Transmission Limited; JKTL: Jam Kambhaliya Transmission Limited; KVTL: Kharghar Vishroli Transmission Limited; WKTL: Warora Kurnool Transmission Limited

#AEMIL - Adani Electricity Mumba Infra Limited 100% shares are currently being held by AEML. Due to CERC restrictions 5% shares are pledged in favor of AESL.
AESL’s Smart Metering Under-construction Portfolio as of August 2023

Adani Energy Solutions Limited

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>0.8</td>
<td>0.8</td>
<td>1.0</td>
<td>1.0</td>
<td>6.3</td>
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<td>13.0</td>
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<td>10.5</td>
<td>12.8</td>
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<td>75.9</td>
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<td>120</td>
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<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>Oct’22</td>
<td>Feb’23</td>
<td>June’23</td>
<td>June’23</td>
<td>Aug’23</td>
<td>Aug’23</td>
</tr>
</tbody>
</table>

Notes: The Discoms are our customers and AESL is executing these contracts through 100% owned SPVs; DBFOOT: Design-Build-Finance-Own-Operate-Transfer; BEST: Brihanmumbai Electricity Supply and Transport; APDCL: Assam Power Distribution Company Ltd; APEPDCL: Andhra Pradesh Eastern Power Distribution Co Ltd; APCPDCL: Andhra Pradesh Central Power Distribution Co Ltd; APSPDCL: Andhra Pradesh Southern Power Distribution Co Ltd; MSEDCL: Maharashtra State Electricity Distribution Company Limited
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