Media Release

Adani Power announces Q3 FY22 results

Editor’s Synopsis

• Consolidated total revenue for Q3 FY22 at Rs. 5,594 crore vs Rs. 7,099 crore in Q3 FY21; due to lower volumes on account of merit order issues owing to higher imported coal prices and regulation of power supply following payment defaults by DISCOMs, partially offset by higher merchant tariffs.

• Consolidated EBITDA for Q3 FY22 at Rs. 2,003 crore vs Rs. 1,827 crore for Q3 FY21; a growth of 9.6% due to higher contribution from merchant and short term sales.

• Total Comprehensive Income for Q3 FY22 at Rs. 233 crore vs Loss of Rs. (-) 289 crore for Q3 FY21

• Consolidated total revenues at Rs. 18,379 crore in 9M FY22 vs Rs. 21,248 crore in 9M FY21; due to lower volumes on account of merit order issues owing to higher imported coal prices and regulation of power supply following payment defaults by DISCOMs, and higher one-time revenue recognition by Rs. 2,531 crore in 9M period of previous year.

• Consolidated EBITDA for 9M FY22 at Rs. 5,847 crore vs Rs. 8,454 crore in 9M FY21; due to higher one-time revenue in 9M period of previous year.

• Total Comprehensive Income for 9M FY22 at Rs. 264 crore vs Rs. 1,221 crore for 9M FY21; due to higher contribution of one-time revenue in 9M period of previous year.

Ahmedabad February 3rd, 2022: Adani Power Ltd. ["APL"], a part of Adani Group, today announced the financial results for the third quarter ended 31st December 2021.

Electricity Demand and Supply in India

The Indian economy has continued on its path of rapid recovery and growth after the setback suffered on account of pandemic lockdowns. As a result, electricity demand has demonstrated strong growth FY 2021-22. Aggregate energy demand for 9M FY 2021-22 across the nation was 1,030 Billion Units (BU), registering a growth of 10% over the energy demand for 9M FY 2020-21 at 940 BU. Similarly, peak power demand registered a growth of 11% to reach a record level of 203 GW in 9M FY 2021-22, as compared to 183 GW in 9M FY 2020-21. Energy deficit and peak power deficit widened to 0.4% and 1.2% during 9M FY 2021-22, as compared to 0.3% and 0.3% respectively during 9M FY 2020-21. Fuel supply constraints for the thermal power sector, along with a growing demand for power resulted in average monthly price of power on exchanges rise to Rs. 8/kWh in the Day Ahead Market. Subsequent supply side interventions resulted in a decline in market clearing price in the Day Ahead Market to Rs. 3.54/kWh.
Business updates
The National Company Law Tribunal, Principal Bench at New Delhi, pronounced its order approving the resolution plan submitted by APL for acquisition of Essar Power M P Limited (“EPMPL”), a company undergoing insolvency resolution under the Insolvency and Bankruptcy Code. EPMPL owns a 1,200 MW thermal power project in Singrauli District, Madhya Pradesh.

The acquisition of EPMPL will help APL advance its leadership position among India’s private sector thermal power producers and expand its operating fleet of strategically located power plants in some of the key fuel producing regions of Central India. The acquisition will be completed upon fulfilment of various Conditions Precedent under the resolution plan.

Adani Power (Mundra) Ltd. (“APMuL”), wholly owned subsidiary of APL, and Gujarat Urja Vikas Nigam Ltd. (“GUVNL”), have agreed in larger public and consumer interest to resolve all disputes pertaining to the termination of the 1,234 MW Power Purchase Agreement (“PPA”), pursuant to an order of the Hon’ble Supreme Court dated 2nd July 2019, in a comprehensive and amicable manner and withdraw all pending cases/petitions and claims, filed by either side pertaining to both PPAs dated 2nd February 2007 (“Bid-2 PPA”) and 6th February 2007 (“Bid-1 PPA”), and Supplementary PPAs (“SPPAs”) dated 5th December 2018 connected to both these PPAs.

In furtherance of the above, APMuL and GUVNL have signed a Deed of Settlement wherein, inter alia, they have agreed to revive the terminated Bid-2 PPA and its relevant SPPA, subject to judicial and regulatory approvals.

Operating performance
Capacity utilization was impacted in Q3 FY 2021-22 due to shortage of domestic coal and high prices of imported coal. The Tiroda plant was the only plant to report an increase in capacity utilization, whereas the Udupi plant was shut down for the entire quarter due to backdown by Karnataka DISCOMs on account of high import coal prices.

As a result of the above, during Q3 FY 2021-22, APL achieved a consolidated average Plant Load Factor (PLF) of 40.9% and sales volume of 10.5 BU, as compared to a PLF of 75.1% and sales volume of 19.1 BU recorded in Q3 FY 2020-21.

During the nine months ended 31st December 2021, APL and its subsidiaries achieved an average PLF of 51.4% and sales volume of 39.1 BU, as compared to a PLF of 58.6% and sales volume of 44.4 BU in the nine months ended 31st December 2020, primarily on account of lower capacity utilization during the recently concluded quarter.

Financial performance
Consolidated Total Income for Q3 FY 2021-22 stood lower at Rs.,5,594 crore, as compared to Rs. 7,099 crore in Q3 FY 2020-21. Prior period and one-time items of revenues were
Rs. 74 crore in Q3 FY 2021-22 as compared to Rs. 25 crore in Q3 FY 2020-21. Low volumes contributed to lower recurring revenues in case of Mundra and Kawai on account of regulation of power supply due to payment defaults by DISCOMs, and in case of Udupi due to merit order dispatch pursuant to higher imported coal prices. On the other hand, Tiroda contributed improved revenues on back of higher volumes. Raigarh and Raipur plants contributed higher revenues despite lower volumes due to higher merchant and short-term tariffs during Q3 FY 2021-22.

Consolidated Total Income for 9M FY 2021-22 stood at Rs. 18,379 crore, as compared to Rs. 21,248 crore in 9M FY 2020-21. During 9M FY 2021-22, one-time revenue recognition, pertaining to regulatory claims including carrying costs and surcharge on delayed payments by DISCOMs was Rs. 872 crore, as compared to Rs. 3,403 crore in 9M FY 2020-21.

The EBITDA for Q3 FY 2021-22 stood higher by 9.6% at Rs. 2,003 crore, as compared to Rs. 1,827 crore in Q3 FY 2020-21, mainly on account of improved contribution from merchant and short-term sales.

The EBITDA for 9M FY 2021-22 stood lower at Rs. 5,847 crore, as compared to Rs. 8,454 crore in 9M FY 2020-21, mainly due to higher one-time revenue recognition during the previous period.

Profit Before Tax for Q3 FY 2021-22 was Rs. 204 crore, as compared to Loss Before Tax of Rs. (-) 206 crore for Q3 FY 2020-21. Total Comprehensive Income after tax was Rs. 233 crore for Q3 FY 2021-22, as compared to loss of Rs. (-) 289 crore for Q3 FY 2020-21.

Profit Before Tax for 9M FY 2021-22 was Rs. 444 crore, as compared to Profit Before Tax of Rs. 2,055 crore for 9M FY 2020-21. Total Comprehensive Income after Tax was Rs. 264 crore for 9M FY 2021-22, as compared to Rs. 1,221 crore for 9M FY 2020-21, due to higher contribution of one-time revenue in the corresponding period of the previous year.

Mr. Anil Sardana, Managing Director, Adani Power Limited, said, “Adani Power is forging ahead in extending its lead among private sector thermal power producers. Our strategically located and operationally efficient power plants stand ready to service the growing demand for power with a reliable and cost-effective supply. We are confident that the actions being taken by the Government to enhance fuel security and reform fuel availability will help reduce cost of electricity, providing our industrial sector the competitive advantage necessary to grow and expand, and our underserved masses the means necessary for upliftment. We are also certain that the imminent resolution of various regulatory matters pertaining to our power plants will pave the way for enhancing our liquidity position and bring closure to the long outstanding issues.”

About Adani Power
Adani Power (APL), a part of the diversified Adani Group, is the largest private thermal power producer in India. The company has an installed thermal power capacity of 12,410
MW spread across six power plants in Gujarat, Maharashtra, Karnataka, Rajasthan and Chhattisgarh, apart from a 40 MW solar power plant in Gujarat. With the help of a world-class team of experts in every field of power, Adani Power is on course to achieve its growth potential. The company is harnessing technology and innovation to transform India into a power-surplus nation, and provide quality and affordable electricity for all.

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