



# Adani Power Limited

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## Presentation to Shareholders

27<sup>th</sup> Annual General Meeting

19<sup>th</sup> July 2023



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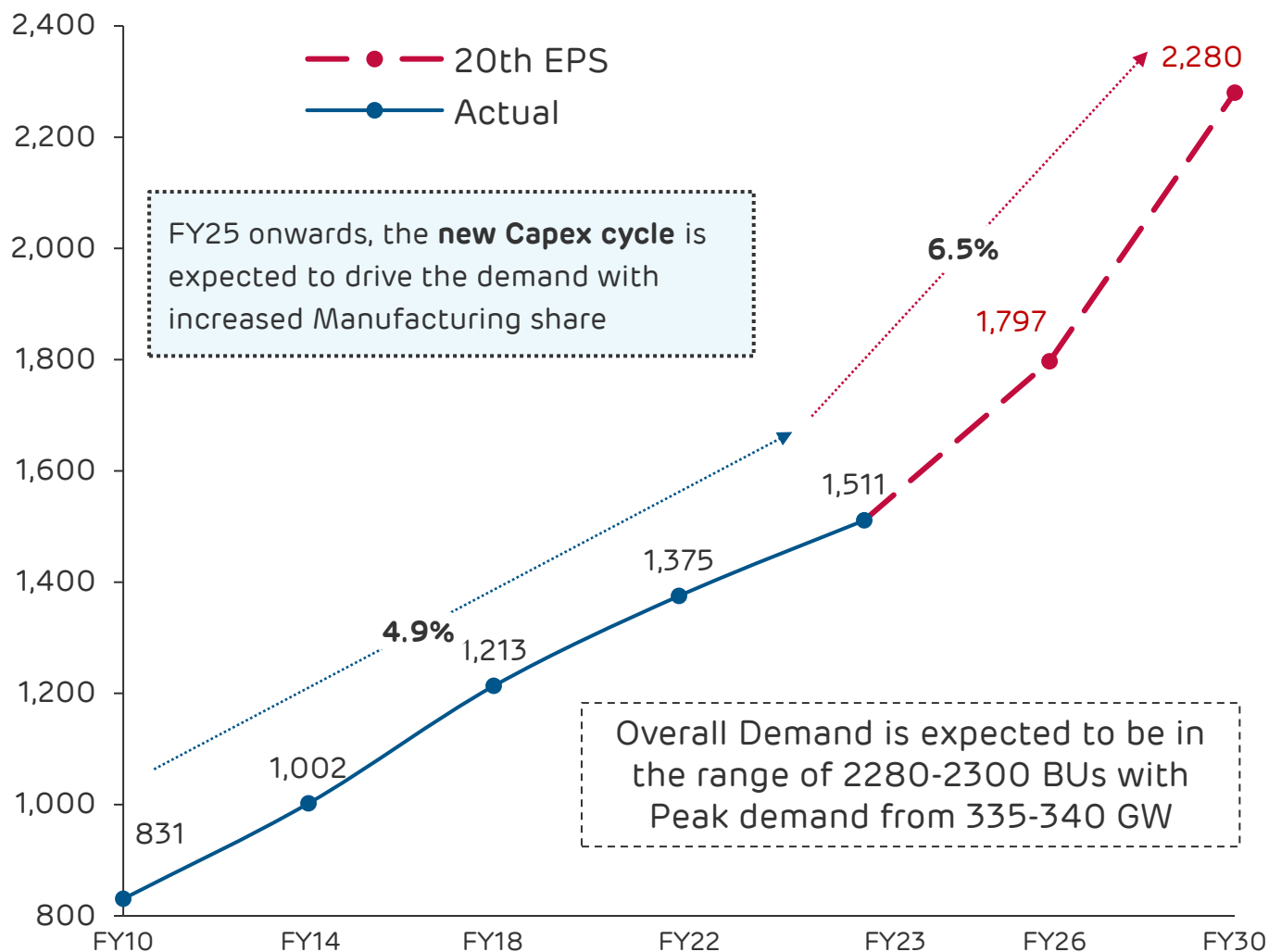
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# Power Sector Outlook

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# India demand growth expected to increase at CAGR of 6.5% and Thermal (Coal) capacity to range between 250-260 GW till FY30



SN	Source	IC	Installed Capacity Projections in 2030
	Capacity (in GW)	As of 31 Mar'23	CEA Optimal Mix Report Projections
1	Coal	211.9	252
2	Gas	24.8	24.8
3	Nuclear	6.8	15.5
4	Hydro	47	59.3 <sup>a</sup>
5	Solar	66.8	292.6
6	Wind	42.6	99.9
7	Other RE	15.5	33
<b>Total capacity</b>		<b>415.4</b>	<b>777</b>
<b>PSP</b>		<b>4.7</b>	<b>18.9</b>
<b>BESS</b>		<b>-</b>	<b>41.7</b>

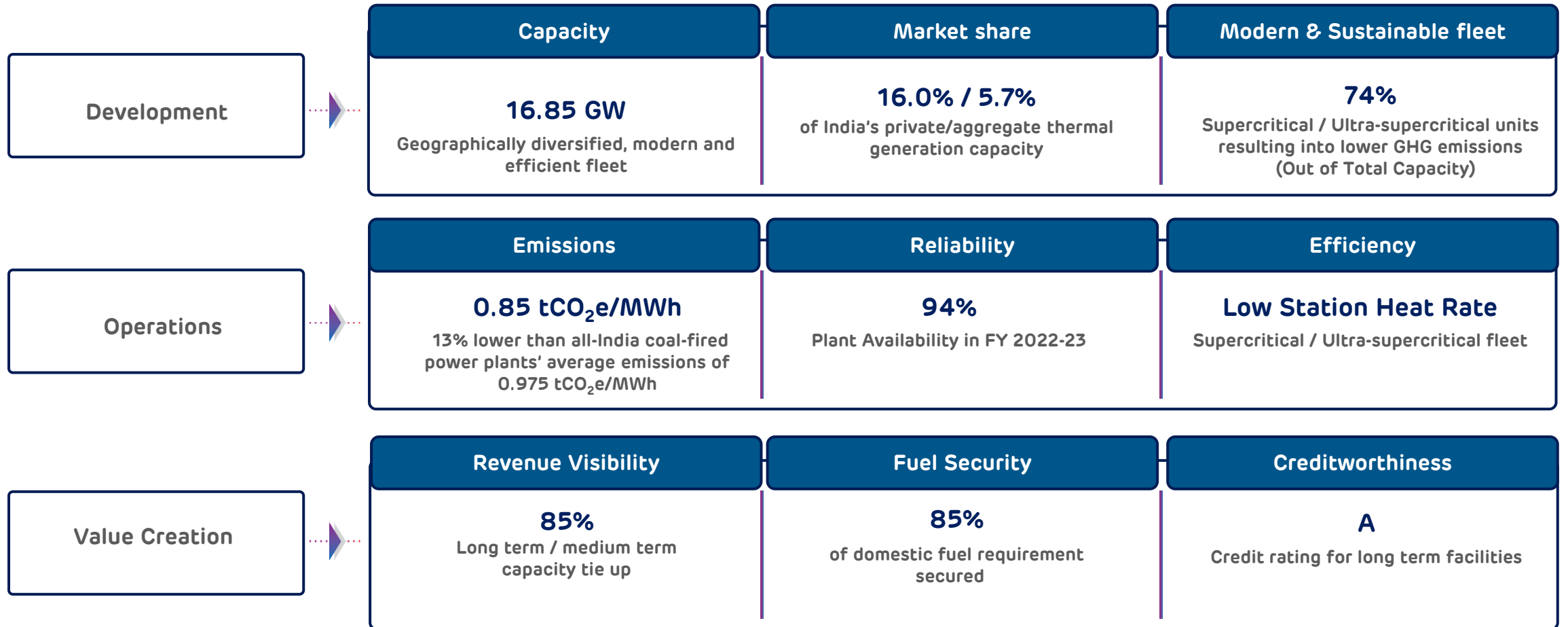
PSP: Pumped Storage Project; BESS: Battery Energy Storage System

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## Adani Power Limited (APL) At a Glance

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# APL: Leading private sector power generator



**Leading private sector power generator with revenue visibility, fuel security and credibility**

**Capacity:** includes 40 MW solar power plant at Bitta, Gujarat and 1600 MW under-development Ultra-supercritical power project at Singrauli, Madhya Pradesh **Market share:** APL's operational thermal capacity share; Source: CEA Mar'23 monthly report **Emissions:** Source: CEA's CO<sub>2</sub> Baseline Database for the Indian Power Sector, December 2022 **Credit Rating:** assigned by CRISIL Ratings and India Ratings, limited by power offtaker ratings. | GW: Giga Watt; MW: Mega Watt; m<sup>3</sup>: Cubic meter; MWh: Mega Watt hour; GHG: Green House Gas

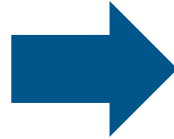
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**APL : Key Differentiators for Long Term Success**

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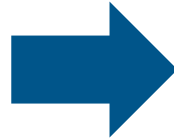
# APL: All-round excellence for sustained leadership

## Integrated Project Management



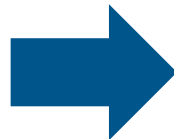
- Integrated approach from project conceptualization to project commissioning
- In-depth optimization at each stage of project management cycle
- Strong project controls, collaboration, and convergence leading to effective project delivery

## Leveraging Technology and Analytics



- Centralised monitoring, analysis, and support through Energy Network Operations Centre (ENOC)
- Data Analytics driven decision-making for ensuring high uptime
- Fostering an organization-wide culture of continuous improvement and innovation with a focus on capability building

## Fuel Management and Logistics



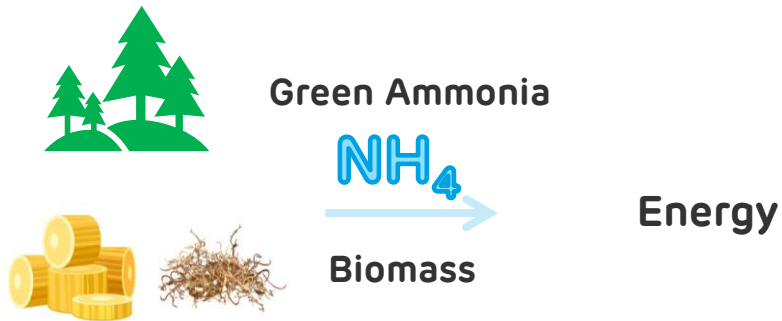
- Only IPP in India with in-house, mine-to-plant logistics capability
- Handling approx. 54 MMTPA of coal and 12 MMTPA of fly ash annually, a substantial logistics organization in its own right
- Annually managing 13,000 rake-equivalent of coal movement through multiple touchpoints with numerous agencies

Critical Success Factors for long-term success and growth in a dynamic sector



# Reducing Carbon footprint through Benign coal conversion pathways– Ammonia / Biomass Co-firing, CCUS initiatives are underway...

## Biomass / Ammonia Co-firing



## Benefits

Choice of dispatch in MOD



Improved ESG rating

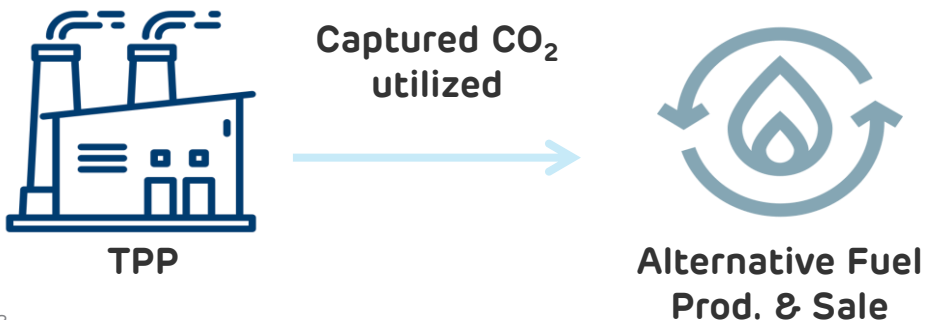
Bring in addtl. investment on improved ESG ratings / Green bonds



New revenue streams

Potentially bring in addtl. revenue in form of methanol, timber etc

## Carbon Capture & gainful utilization



Establish net-zero cost without impacting asset health

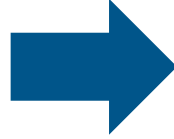
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**APL : Business Highlights for FY 2022-23**

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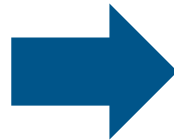
# APL: Key milestones achieved

## Operating capacity and organizational structure



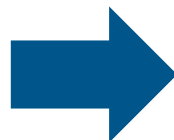
- First 800 MW Unit of 1600 MW Godda USCTPP synchronized with Bangladesh Grid in Nov '22
- Godda plant fully commissioned on 25<sup>th</sup> June 2023
- Scheme of Amalgamation of APL with its six operating subsidiaries completed

## Deleveraging and credit rating



- Cash flow surplus utilized to prepay outstanding debt
- Entire secured debt of Kawai, Rajasthan plant prepaid
- APL's credit rating has improved from BBB- to A

## Resolution of long-outstanding regulatory matters



- Virtually all regulatory matters related to coal shortfall claims resolved at Hon'ble Supreme Court level
- Liquidation of shortfall claims underway
- Improved recovery of fuel costs and visibility of earnings

# APL: 1600 MW Godda Ultra-Supercritical power project commissioned

Landmark achievement in project execution and cross-border electricity supply

## Supporting Bangladesh in achieving its long-term economic goals

- Supplanting costly liquid-fueled power with reliable and affordable supply

## Secure revenue and profitability streams

- 25-year PPA of 1496 MW (net) with Bangladesh Power Development Board
- Connected to Bangladesh Grid with a 400kV dedicated transmission system
- Efficient recovery of fixed and variable costs under USD-denominated tariff

## High efficiency, low emissions

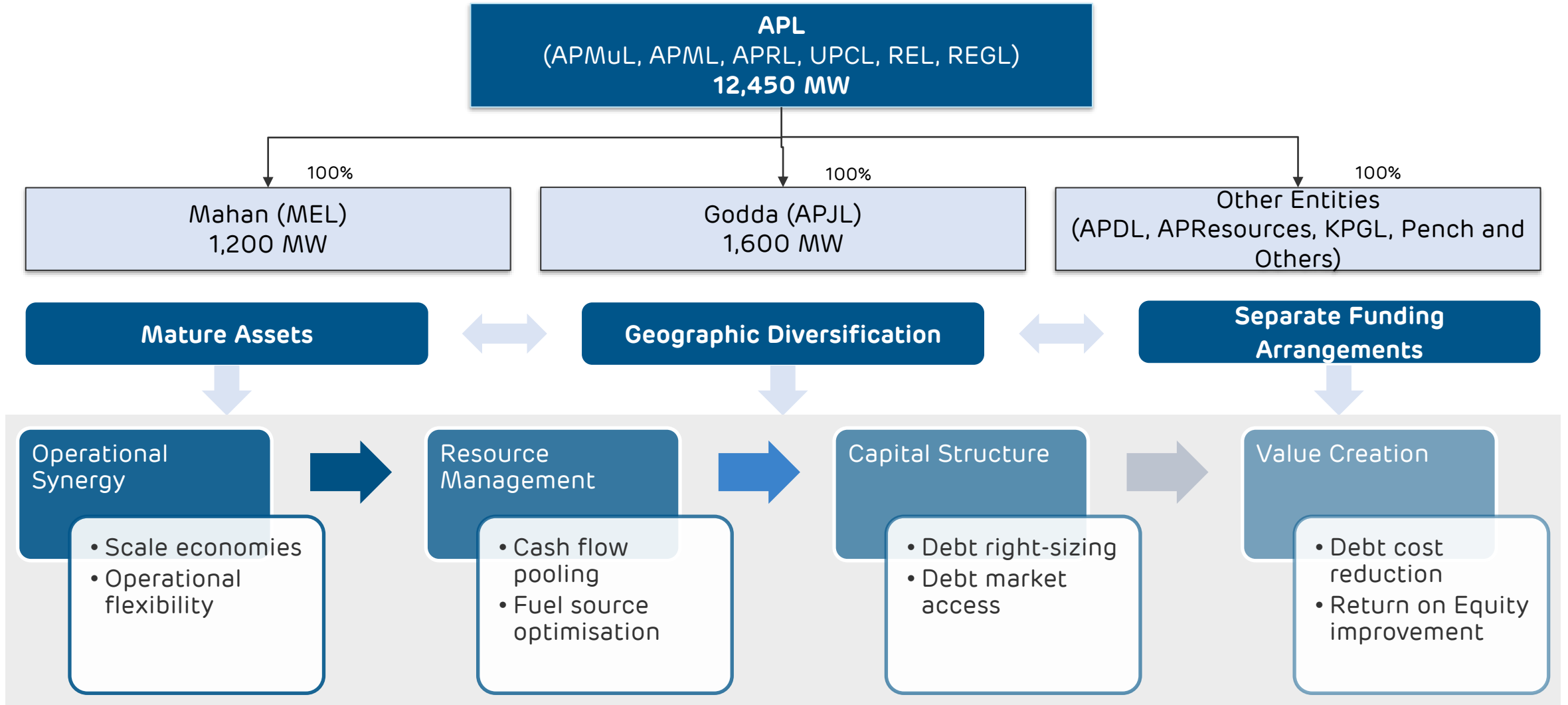
- Pioneering project incorporating state-of-the-art, highly efficient 2x800MW Ultra-supercritical units
- Incorporating Flue Gas Desulphurisers (FGDs) and Selective Catalytic Converters (SCRs) to minimize emissions and comply with MOEF&CC regulations

## Project execution prowess aptly demonstrated

- Fully commissioned in just 3.5 years from financial closure despite pandemic lockdown challenges in India, China, and Bangladesh
- Nearly 15,000 personnel engaged in project execution during peak construction period



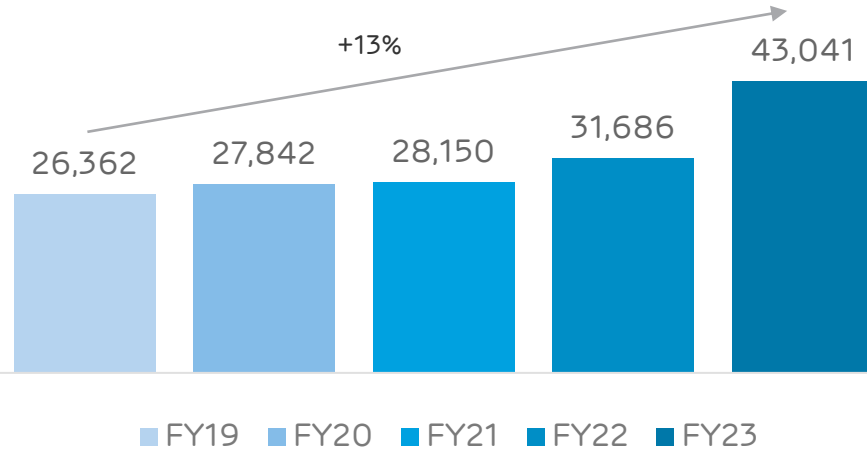
# APL: Post-amalgamation organisational structure and synergies



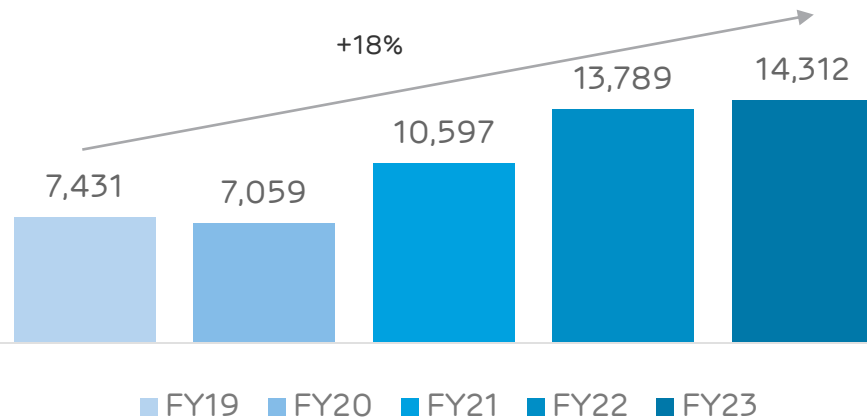
**Amalgamated Entity with 12,450 MW capacity spread across seven plants in six states**

## APL: Strong growth in revenues and operating margins

Total Revenues (Rs. Crore)

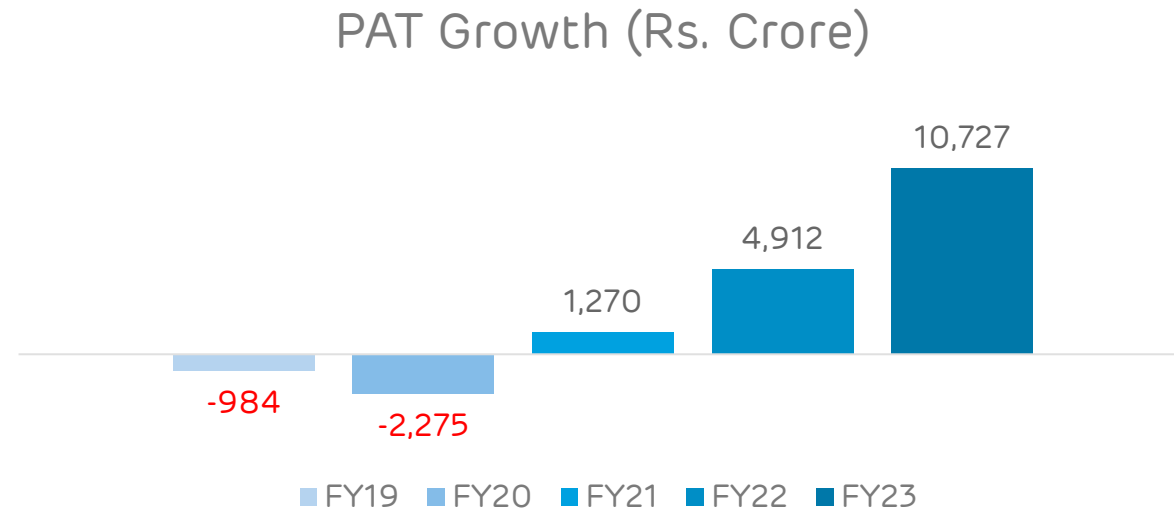
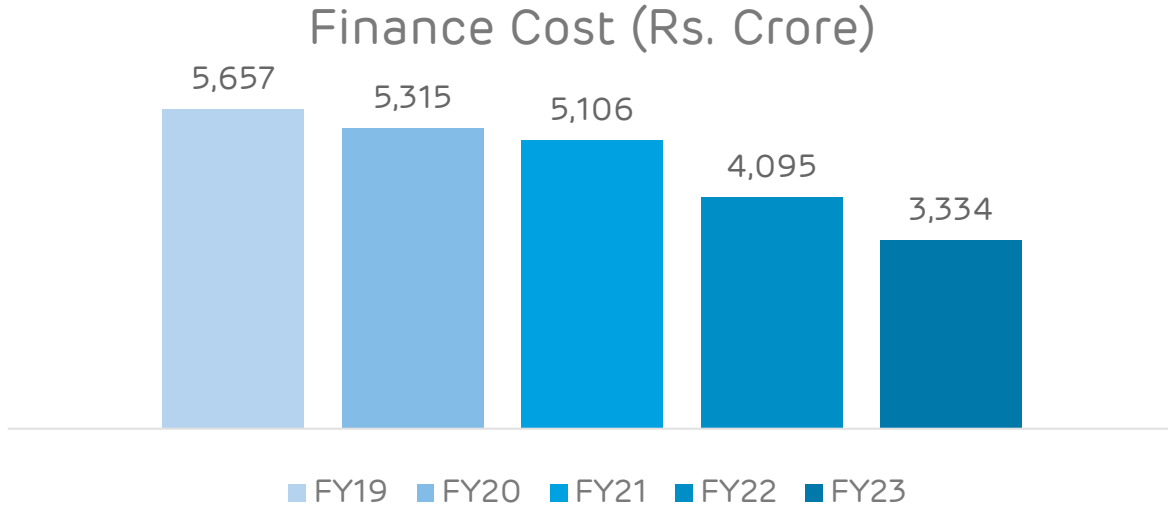


EBITDA (Rs. Crore)



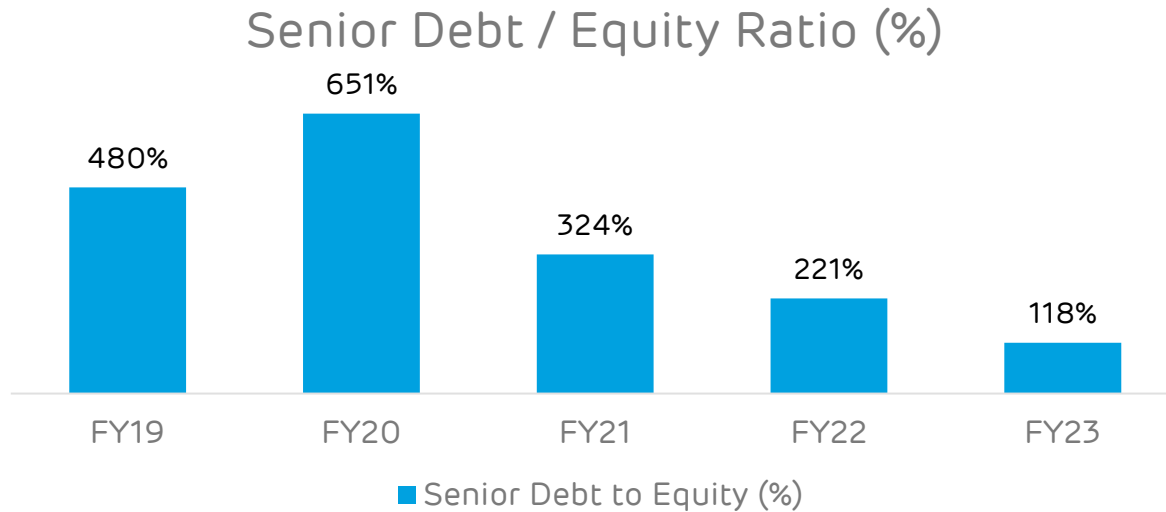
- Improved tariff realisation due to greater merchant / short-term demand and higher import coal price, coupled with higher operating capacity contributed to a 36% growth in FY23 revenues despite flat volumes.
- Robust EBITDA margin on account of revenue growth, offset partially by higher import coal prices.
- Liquidity has improved strongly due to realisation of major portion of regulatory receivables.

# APL: Reduction in finance cost and improved post-tax profits



- Sharp reduction in Finance Cost due to debt reduction, including prepayment of senior debt utilising cash flows from regulatory receivables.
- Lower working capital borrowings due to improved collections from DISCOMs.
- Return to profitability following resolution of regulatory and commercial matters, revival of PPAs, turnaround of acquired power plants, and reduction in finance cost.
- Consolidated Profit After Tax for FY23 stood higher by 118% on account of one-time reversals consequent to the implementation of the Scheme of Amalgamation.

# APL: Deleveraging of balance sheet and stronger net worth



Financial Year Ended	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2023
Total Debt	46,980	42,252
Senior Debt	35,997	35,293
Total Equity*	7,712	29,876

\* Includes Unsecured Perpetual Securities

- Significant reduction in senior debt through prepayment as well as regular repayments despite acquisitions and addition of project debt for the Godda plant.
- Improvement in operating profits as well as post-tax profits has resulted in revitalisation of financial position, including a stronger Net Worth.
- Improved debt coverage and reduced leverage have resulted in improvement in credit rating from BBB- to A.

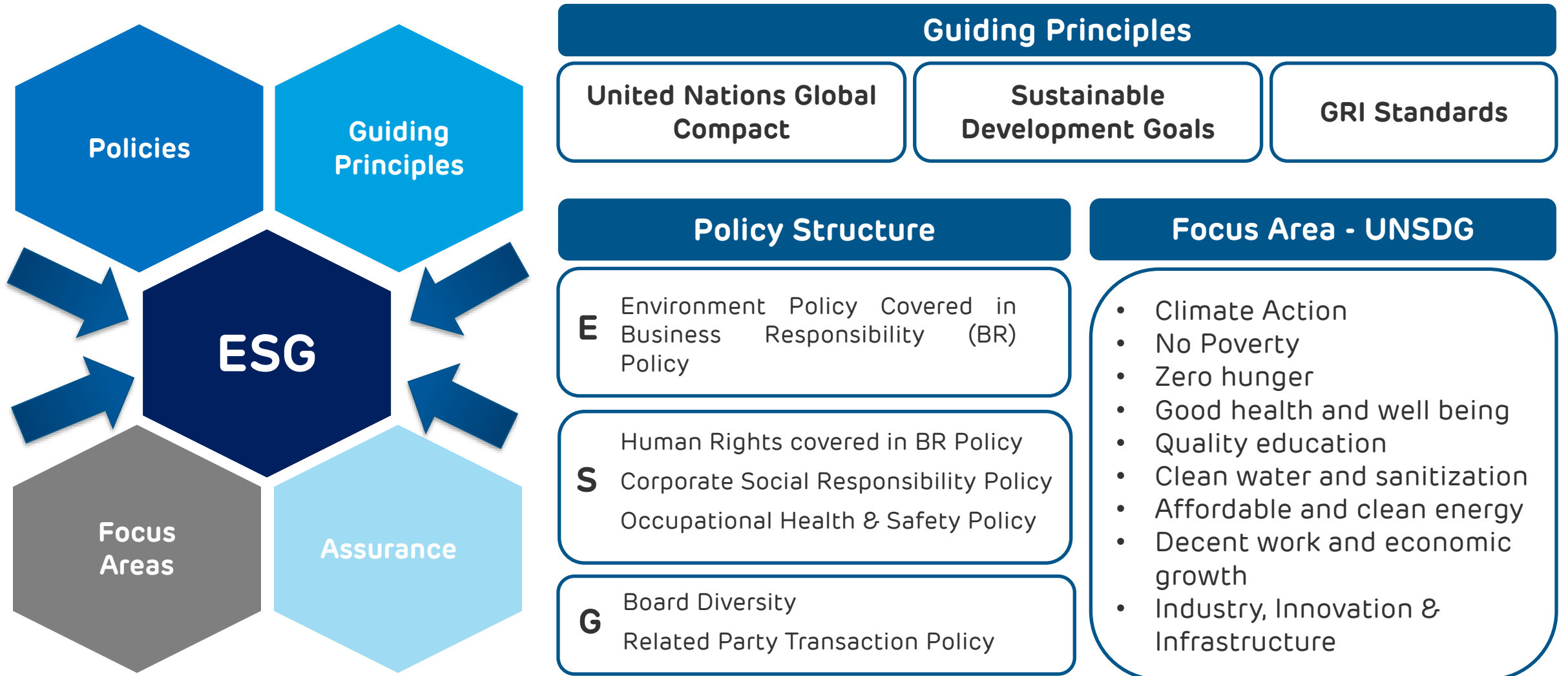


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## ESG Philosophy and Practice at APL

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# Robust ESG assurance framework



Policy & framework backed by robust assurance program

# APL: ESG Philosophy



## Reduction in Carbon Emission

Technology driven reduction of specific carbon emissions: **74%** capacity in **Ultra-supercritical / Supercritical** plants.  
Planned installation of emission control equipment (**FGD**) by **Dec 2026**.

## Resource Management

**Sea water usage** for cooling and consumptive requirement at coastal locations; 7 out of 9 plants certified with SUP (Single Use Plastic) Free certification for FY 2022-23; APJL & MEL SuPF target for FY 2023-24.

## Waste Management

Maximum utilization of **fly ash** at portfolio level



## Social Transformation

**Development, Education, and Health** are focus areas for **social upliftment activities** undertaken by APL in association with Adani Foundation.

## Safety

Safety of all employees and business associates is topmost priority. Developed safety measures adhering to standards like ISO 45001, resulting in the desired 'zero harm' goal at the workplace

## Skill Development

Adani Power Training Institute – one of its kind training institutes with global affiliates



## Board Independence

**Board independence** at listed company level

## Robust Policy Framework

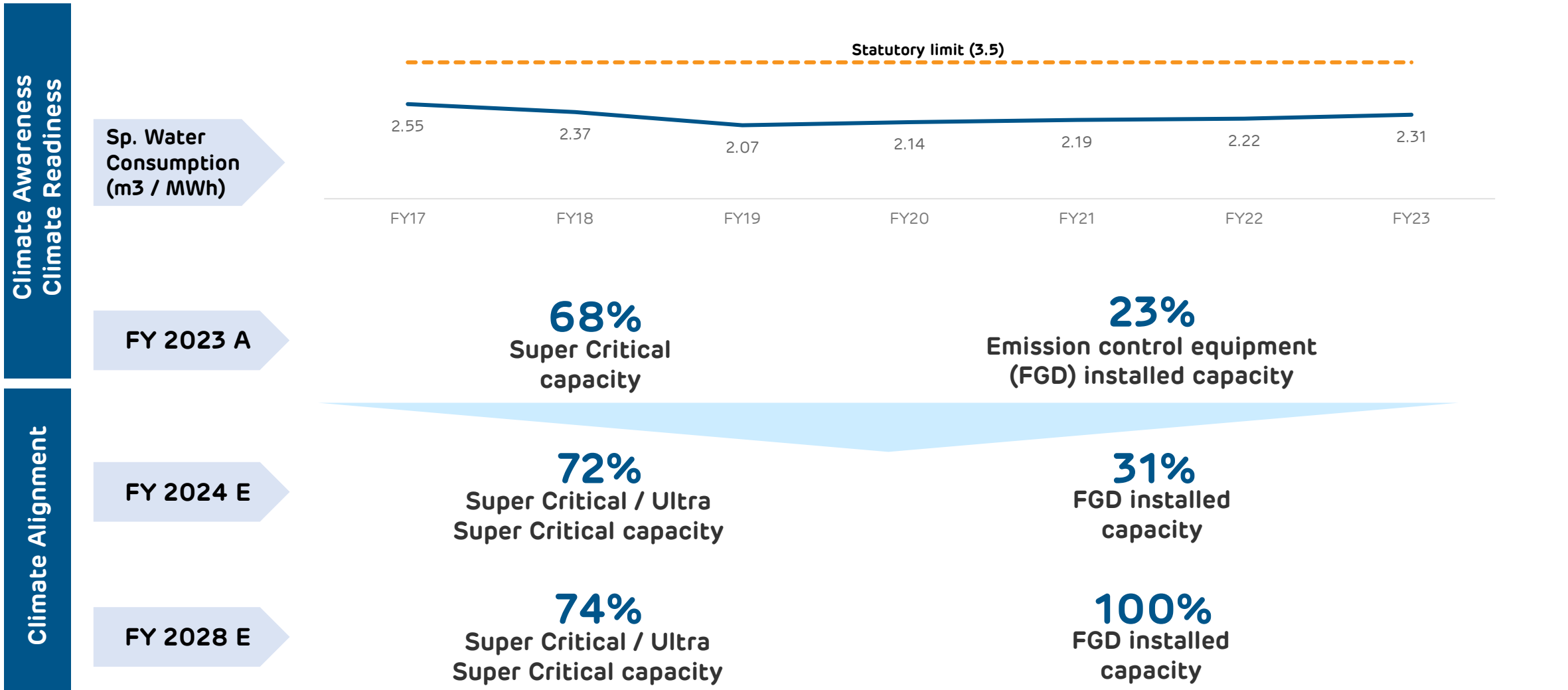
Strict implementation of **related party transactions policy** and anti corruption and bribery policy

## Robust Governance

**Rigorous quarterly audit** conducted on various important parameters across all subsidiaries

# APL: Track record and emission reduction plan

In its endeavor for climate readiness, APL is aligning its business model with latest technologies in climate efficient manner



Sp: Specific; MWh: Mega Watt Hour; m<sup>3</sup>: Cubic meters; FGD: Flue Gas Desulphuriser

# APL: Adopted UN Sustainable Development Goals

## United Nations Sustainable Development Goals 2030



### Key Focus Areas



## Our Key Social Initiatives mapped to UNSDG

### Health

Multiple Locations

3. Good Health & Well Being

- **Mobile Health Care unit:** 204,282+ treatments provided through 8 MHUs
- **Health insurance benefits for ~ 9,502 people** by issuing health cards
- **13,453+ patients** have been benefitted through **health camps**
- **15,000+ beneficiaries** have been provided with **safe drinking water facilities**

### Education

Multiple Locations

4. Quality Education

- **GYANODAYA** – Smart class implementation benefiting 80000
- Scholarship program with **Rs. 29.5 Lacs** scholarships awarded

### Livelihood

Multiple Locations

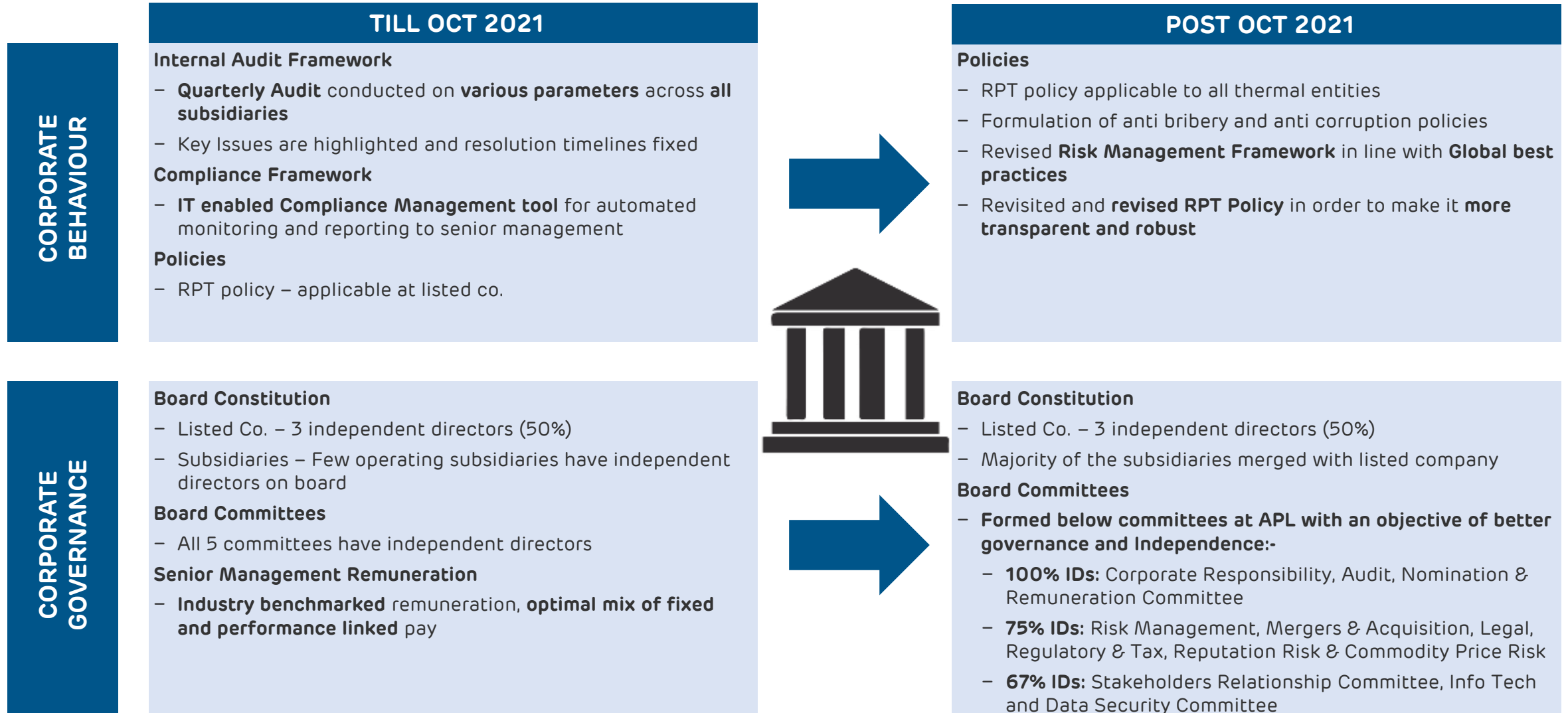
8. Decent Work & Economic Growth

- **SAKSHAM** – Training classes for > 1,460 people including 1,181 women and girls participation
- **Adani Power Training and Research Institute** - Delivering high quality training to aspiring engineers/professionals
- 3600 safety program focusing on hazard identification, training, prevention, assessment and review

Social philosophy drives initiatives that are aligned with UN Sustainable Development Goals

# APL: Bettering governance and board independence

As per our target, we have internalise global best practices of governance and board independence



THANK YOU