



“Adani Transmission Limited H1 FY19 & Q2 FY19
Analyst Conference Call”

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**MANAGEMENT: MR. ANIL SARDANA – CEO AND MANAGING
DIRECTOR, ADANI TRANSMISSION LIMITED
MR. JAY AMBANI – ANALYST, ADANI TRANSMISSION
LIMITED
MR. KAUSHAL SHAH – CFO, ADANI TRANSMISSION
LIMITED**

Moderator: Ladies and Gentlemen, good day and welcome to the Adani Transmission Limited H1 FY19 & Q2 FY19 Analyst Conference Call.

We have with us today on the call Mr. Anil Sardana – MD and CEO, Adani Transmission Limited, Mr. Kaushal Shah – CFO, Adani Transmission Limited, Mr. Jay Ambani – Analyst, Adani Transmission Limited. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing “*” then “0” on your touchtone phone. Please also note that this conference is being recorded. I now hand the conference over to Mr. Anil Sardana – MD and CEO, Adani Transmission Limited. Thank you and over to you, sir.

Anil Sardana: Thank you so much and welcome to all our Analyst friends to this H1 FY19 & Q2 FY19 Conference Call. I do realize that it is late our Board Meeting just ended and therefore, there could have been a bit of delay in even sending you the investors presentation. We will certainly, therefore, at the outset mentioned that we do not mind having calls at Analysts as a follow up calls on Monday, Tuesday, but those of the colleagues and such of the colleagues who are there and could find time, we will appreciate your questions and you of course can always do follow up questions with us.

So, the H1 Results are there with you they continue to be as steady as they were before barring one-off items that we have had in terms of gain and also MERC reversal everything else has been quite well. We have started integrating AEML pursuant to its acquisition and the AEML in the days ahead will certainly be a part and parcel of our outlook.

We also must mention that today we have signed acquisition just about during the board time and this is in respect of 400 KV transmission line assets of KEC of RPG group which we signed up for acquisition today. It has an enterprise value of about 227.5 crores and they are close to about 160 crore worth of debt which we will take over. So, I think it is a great acquisition and it gets integrated to our already decent portfolio that we have in the state of Rajasthan. So, we continue to look at more options as long as they are good for integration and they are quite good in terms of threshold returns to us.

So, I am going to stop here and I do realize that it is a Diwali weekend, I do realize that it is late in the evening so I am going to leave it for you to ask questions and I promise that we will do follow up calls on Monday or Tuesday. Thank you and over to you.

Moderator: Ladies and gentlemen we will now begin the question and answer session. The first question is from the line of Mohit Kumar from IDFC. Please go ahead.

Mohit Kumar: Sir, couple of questions regarding Mumbai Discoms, what are the revenue EBITDA and PAT for the one month which you upgraded and second what is the reversal of 89 crores, so what does this pertains to?

- Jay Ambani:** First thing one month AEML PAT you are mentioning that it comes to around 18 crore for the one month of AEML and topline of this is 649 crores and it is there in the presentation AEML and the second one is MERC reversal it is a true-up order that we have received for the year 15-16, 16-17 and provisional true-up of 17-18 and some of the item has been disallowed by the MERC which we now reversing in our accounts.
- Mohit Kumar:** This pertains the last three years of true-up am I right?
- Jay Ambani:** 15-16, 16-17 and provisional true-up of 17-18.
- Kaushal Shah:** There is no cash outflow here so what has happened was that in that tariff calculation the tax was calculated at a normative level, but because of higher expenses the tax was lower so our outgo was also lower and accordingly the MERC has said that we will allow to the extent of actual payment of tax. So, these are some of the items on the other side on the ATIL we have some positive things also which has happened where we have gained of 5 crores of tariff in true-up?
- Mohit Kumar:** In true-up 5 crores.
- Kaushal Shah:** In ATIEL we have a 5 crore true-up. So it is about couple of percent about 3% true-up incidence which has happened, but as a conservative accounting policy though we are going in April as a conservative accounting policy we have reversed that revenue from the books.
- Mohit Kumar:** What is the levelized tariff?
- Kaushal Shah:** Levelized tariff is 29 crores and we will have this cost of around 225 odd crores. So, this we had acquired at EBITDA around 8 times something less than 8x.
- Mohit Kumar:** What was the EBITDA last year FY 18 for KEC Bikaner?
- Kaushal Shah:** I do not have that information on hand as of now. This line is adjacent to our existing line so we will not have any O&M expenditure as far as this place is concerned.
- Mohit Kumar:** Sir, the AEML transmission element which are under construction I think most of them has approached to get commission in FY19 I think schedule to commercial operation date is FY19, can we expect all of them except for I think Fatehgarh Badhla supposed to get commission later and the UP one, can you explain?
- Kaushal Shah:** Except this two all of them will be operationalize by March end. So, we are targeting January actually. So, some of them have already started we have a revenue of 38 crore till H1.
- Mohit Kumar:** And what are expense how much you spend on this all this under construction transmission asset and what is the project cost of all of them put together on the debt?

- Kaushal Shah:** We will be saving some of the project cost compared to what we had earlier projected. So that will be saving of roughly around 200 to 300 crore which ones you know everything is finalized we will be able to let you know the final project.
- Moderator:** The next question is from the line of Pavitra from Nomura. Please go ahead.
- Pavitra:** My question is regarding the equity issuance plan to replace the subordinated issue to the promoter for the acquisition of the assets from RInfra, just wanted to check like given the volatile market conditions I wanted to understand if there any change in the plan regarding the timing or if you can talk about that because at the time that rating agencies would be keen to look at this equity issuance to complete in order to stabilize the ratings, so if you can just throw some light on that it will be helpful?
- Kaushal Shah:** So, at this point if you recollect last time also we have said that we have a commitment to do this now we have acquired and we have started that process. So, we will be doing this in the due course and as committed to the rating agency we will be finishing before the time line.
- Pavitra:** So the plan still remains to finish it by March next year?
- Kaushal Shah:** We have never said that we will complete by March this year. What we are saying is that we have started the process and as soon as the market condition it can be earlier also.
- Moderator:** We have the follow up question from the line of Shirish Rane from IDFC. Please go ahead.
- Shirish Rane:** Sir one clarification what was the acquisition value for final acquisition value for Mumbai Discom and how it has funded?
- Kaushal Shah:** The value which we have agreed at the time of SPA signing which is more or less has remained the same. The funding has been done by 8,500 crore which we have taken as a long-term loan from various banks. The rate of interest is 9.05% and then 3800 odd crores has been funded by ATL and the promoter of ATL has funded around 3,200 crores out of that.
- Moderator:** Before you answer we just have one last question from the line of Prashant Bajaj from Goldman Sachs.
- Parth Jhala:** So I just wanted to know a little bit about the new acquisition that you have made any color that you can give us on how it is funded and when this is expected to be completed this acquisition that would be great?
- Anil Sardana:** So you are talking about the today acquisition the KEC assets.
- Prashant Jhala:** Yes that is right.

Anil Sardana: So it is a small asset as I said it is a 400 KV transmission system at Rajasthan and we have acquired at our enterprise value of about 225 crores and the acquisition is likely to get completed by before end of December.

Prashant Jhala: Do you know how we are funding this is it in cash or is it going to be debt?

Anil Sardana: So as per our equity is concerned it will be through the internal sources and as far as debt is concerned we are talking over the debt of close to about 160 crore with the existing organization SPV has and that we will have the long-term debt through the lenders.

Moderator: Thank you. Ladies and gentlemen that was the last question. I would now like to hand the conference back to Anil Sardana for closing comments. Thank you and over to you, sir.

Anil Sardana: Thank you well I made the closing comment that we will have follow up calls with friends Monday, Tuesday we will perhaps do one-on-one with most of the analyst that have been joining the calls in the past and make sure that this coincidence and Diwali weekend does not come in the way of us not sharing some of those discussions with the guys. So, thank you once again.

Moderator: Thank you very much members of the management. Ladies and gentlemen on behalf of Adani Transmission Limited that concludes this conference. Thank you all for joining us and you may now disconnect your lines.