



Engineered for the future

Adani Transmission Limited
Annual Report 2015-16





Adani Transmission Limited, India's largest private power transmission company.

The company is the largest private power transmission company in India. The company's objective is to address the vast potential in India's transmission sector.

The company has responded to this vast national opportunity with corresponding urgency: a vision to achieve the ambitious target of 13,000 circuit km (ckt km) of transmission lines by 2020 to help the country deliver power to the 'last mile'.

At Adani Transmission, we encapsulated our long-term commitment in just four words: 'Transmitting Power, Distributing Hope'.

While remaining 'Engineered for the future!'

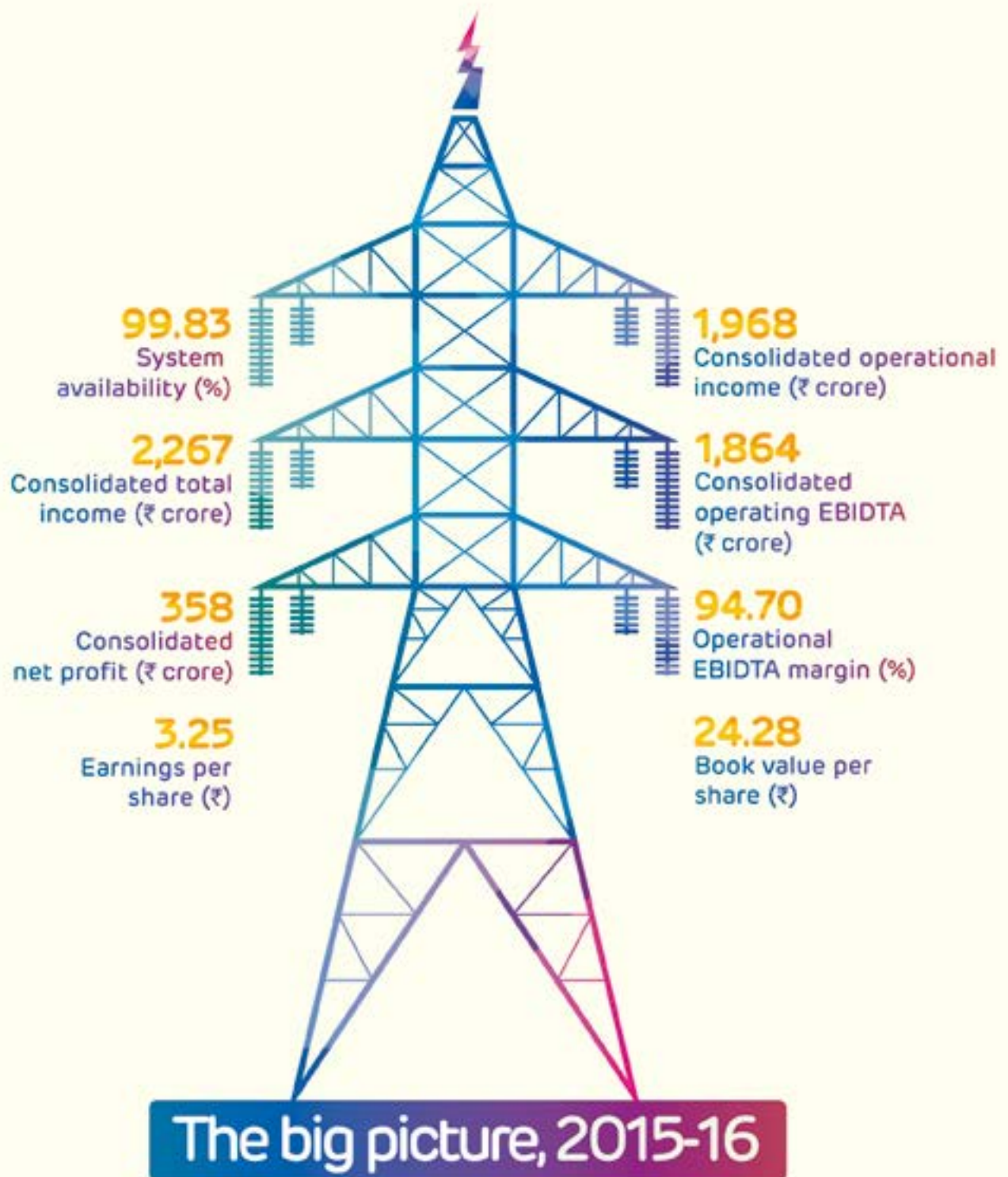


India suffers from a growing appetite for power at one end and the absence of power transmission capacity on the other.

Adani Transmission brings to this reality a combination of scale, certification and first-mover's advantage.

- India's largest private sector transmission company.
- India's first private HVDC utility.
- India's first private sector player to receive the Global Investment Grade rating in the power sector.

Right capacity. Right capability.
Right credentials.





Adani Transmission Ltd. is a part of the USD 10 billion Adani Group, one of India's largest industrial conglomerates with extensive interests in resources, logistics and energy.

One vision, one brand

As part of preparing the Adani Group for the next phase of our growth, we have re-formulated our 2020 vision: To be the globally-admired leader in integrated infrastructure businesses with a deep commitment to nation-building. We shall be known for the scale of our ambition, speed of execution and quality of operation.

Our values

Courage: We shall embrace new ideas and businesses

Trust: We shall believe in our employees and other stakeholders

Commitment: We shall stand by our promises and adhere to high standards of business

Our culture



Passion

Performance with enthusiasm and energy



Results

Consistently achieving goals



Integration

Working across functions and businesses to create synergies



Dedication

Working with commitment in the pursuit of our aims



Entrepreneurship

Seizing new opportunities with initiative and ownership

Adani Group revenues (consolidated, ₹ crore)

2006-07	2007-08	2008-09	2009-10	2010-11
16,953	19,649	26,273	26,019	26,827

About the Adani Group

The Adani Group is one of India's leading business houses with revenues of over USD 10 billion. Founded in 1988, the Group has grown to become a global integrated infrastructure player with businesses in key industry verticals:

- Resources
- Logistics
- Energy

The Group has also made significant strides in the agri-infrastructure business by setting up grain storage silos and cold storage facilities. It is also a market leader in the edible oils sector through the Fortune brand.

Resources

The Group's resources business obtains coal from mines and trading and will extend to oil and gas production.

The Group is developing and operating mines in India, Indonesia and Australia. It is also importing and trading coal from a number of countries. Currently, we are the largest coal importer into India. Our extractive capacity increased three-fold to 5 MMT in 2015 and we aim to extract 200 MMT per annum by 2020, making ours one of the largest mining groups in the world.

Logistics

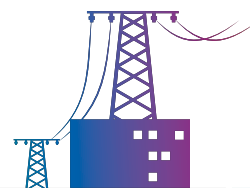
The Group's logistics business comprises a large network of ports, special economic zones (SEZ) and multi-modal logistics – railways and ships.

The Group owns and operates seven ports and terminals: Mundra Port, Dahej Port, Kandla Terminal and Hazira Port in Gujarat, Dhamra Port in Odisha, Murmugao Terminal in Goa and Vizag Terminal in Andhra Pradesh. The Group is also developing a terminal at Ennore in Tamil Nadu and a mega transshipment terminal at Vizhinjam, Kerala.

Energy

The Group's energy business comprises power generation, transmission and gas distribution.

Adani is the largest thermal power producer in India's private sector with an installed capacity of 10,560 MW (including a 40 MW solar plant at Bitta, Gujarat). Four of our power projects are spread across Gujarat, Maharashtra, Karnataka and Rajasthan. We also provide a range of reliable environment-friendly CNG and PNG energy solutions.



Leveraging scale, building the nation – our pride

- Largest private sector power producer in India
- Largest coal importer in India with a 33%+ market share*
- Largest port operator in India
- Largest edible oil manufacturing capacity in India
- Largest private sector power transmission company in India

*Including coal trading

2011-12	2012-13	2013-14	2014-15	2015-16
39,904	47,352	56,226	65,520	45,148



Dear shareholder,

"DOUBT IS NOT A PLEASANT CONDITION, BUT CERTAINTY IS ABSURD", SAID VOLTAIRE, THE FAMOUS FRENCH PHILOSOPHER.

Today, while the global markets seek some degree of certainty within a highly volatile environment, India has emerged as a beacon of hope especially as the other BRIC nations start to slowdown or stay in recession. The next decade could well be India's decade in the world.

Over the last couple of years, the energy sector in India has seen a transformational transition as a consequence of several policy level changes accompanied by a superb execution of directives. These include amendments to the Electricity Act, coal auction and allocation, Integrated Power Development Scheme, the Ujwal DISCOM Assurance Yojana (UDAY), Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and an unmatched global ambition in establishing a renewable energy ecosystem.

India's transmission network comprises 320,000 circuit kms of transmission and 615,000 MVA of sub-station capacity fed by 275,000 MW of generating capacity. While generation has grown over 9% CAGR over the last decade, transmission has lagged and has grown at less than 4% as over the past few years the ratio of investment in transmission and distribution to power generation has remained at less than 50%. Based on CEA's estimates an investment of ₹1 trillion is required over the next five years in the country's transmission sector to expand and take India's transmission and distribution losses from the current levels of

24% down to 18%. This mismatch in power generation and transmission capacity provides a massive opportunity for the players in this sector, especially as the Government focuses on facilitating the entry of private players and introduces far reaching policy initiatives to transform the face of transmission in India.

The Government's UDAY scheme will enhance distribution efficiencies, reduce power costs, moderate interest expenses of discoms, enhance financial discipline, align consumer tariff with electricity generating cost and restructure ₹4.3 lakh crore of utilities' debt. Also, the initial allocation of ₹500 crores to the DDUGJY scheme will augment rural power supply and strengthen sub-transmission and distribution systems by separating electricity feeders for domestic and agriculture consumption. In addition, the launch of the 'green-energy corridor' infrastructure aimed at evacuating and synchronization of the grid for electricity produced from renewable sources with conventional power sources will require the deployment of nine high capacity green-transmission corridors.

The Adani Group's foray into power transmission is recent, having been spun out of Adani Power Limited in 2014-15. Over the past 5 years, we have invested \$1.7 billion in this business and currently operate around 5,050 circuit kms of transmission lines. This makes us the largest private player in the transmission sector. Our investments have focused on adopting the latest technologies and this has resulted in a network availability of over 99.8%, thereby helping us achieve global standards when it comes to network availability.

At the end of the year 2015-16, the Company had four operational Transmission Systems serving the Northern and Western regions of India. I am pleased to state that the revenues for the year 2015-16 stood at ₹2,267 crores and the bottom-line came in at ₹358 crores. We operated the business at an EBITDA margin of 95%, which is easily one of the best in the industry. The Company is also constructing another 1,900 circuit kms in Rajasthan, Chhattisgarh, Madhya Pradesh, Maharashtra, Jharkhand and Bihar, all of which were awarded through a Tariff Based Competitive Bidding process. During the current year, the Company signed a Definitive Agreement with GMR Energy Ltd. to acquire 74% shares of Maru Transmission Service Company (MTSCL) and 49% shares of Aravali Transmission Service Company (ATSCL) with an option to acquire 100% in a manner consistent with the Transmission Service Agreement and applicable consents. With the completion of all on-going projects and closure of the acquisition, the network is expected to increase to 7,300 circuit kms and will further consolidate our presence in the transmission sector in India and put us comfortably on our way to reach our target of 13,000 circuit kms of transmission line by 2020.

While the business continues to perform strongly, our proudest moments come from the stories we hear about the lives we have the opportunity to influence. Adani Foundation's education programs have already touched the lives of over 150,000 young students, its healthcare programs touch the lives of over 200,000 people every year, the sustainable livelihood programs have made over 35,000 people and their entire families self-reliant and the Foundation has

improved the lives of over 500,000 people across 177 villages by helping provide better roads, drinking water and other basic facilities. We are grateful that we have been given this opportunity.

The days ahead are exciting and I would like to thank our customers, employees, shareholders and the Board for making 2015-16 another excellent year.

Gautam Adani



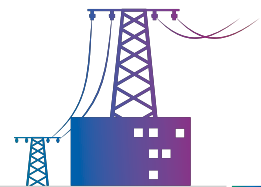


Dear shareholders,

The latest McKinsey report states that "From 2016 through 2030, the world needs to invest about 3.8 percent of GDP, or an average of \$3.3 trillion a year, in economic infrastructure just to support expected rates of growth."

Emerging economies account for some 60% of that need. But if the current trajectory of underinvestment continues, the world will fall short by roughly 11 %, or \$350 billion a year." This essentially indicates the market size and potential of infrastructure development, more from Indian perspective where infrastructure development would drive the economic growth as well as aid job creation.

Power would be one of the most important sectors within infrastructure as availability of power would have a direct bearing on the economic growth. Power generation has done quite well in last few years and we have seen the highest capacity addition numbers as far as India is concerned. This has resulted in large capacity but availability to the consumers still remains a challenge. Transmission still remains a bottleneck which needs to be taken care of if we want to sustain the economic growth and provide quality life to the citizens of our country.



EBIDTA margin

~95%