

adani

Adani Electricity Mumbai Limited

Key Developments - April 2023



Renewable Power commitment

- Share of RE procurement increased to 30% at end of 31 March 2023 as committed under July 2021 SLB issuance.
- In the last 2 years we have increased share of Renewable Energy from 3% to 30%
- AEML consumers will have proud distinction to be amongst the few globally to source a significant share of electricity from Renewable Energy sources (60% by 2027).
- Scaling Renewable Energy Supply is part of the Company's strategy to provide Reliable, Affordable and Sustainable Electricity to consumers

Increase in Regulatory Asset Base

- RAB increased from INR 5,607 cr (FY 19) to INR 7,479 cr (FY22) with a CAGR of 10.10% (*Refer Slide 7*)
- Capex of INR 1,310 cr for FY 2023 has been fully funded through internal accruals without any debt incurrence

Finance Update

- Surplus Cash of about INR 800 crores in the Company (as on 31 Mar 2023)
- Senior Debt: Option contracts aggregating to USD 300 mn have been unwounded and converted to fully hedged swaps
- Working Capital loan was reduced to INR 500 cr (as on 31 Mar 2023) from INR 1,045 cr (in December 2022)



MTR Order and Tariff update

True Up of Regulatory Gap

- MERC released MTR Order for True up of FY2020, FY2021 & FY2022, Provisional True up of FY2023 and Revised ARR & Tariffs for FY2024 & FY2025 - Link Attached -
 - AEML T - <https://merc.gov.in/wp-content/uploads/2023/03/Order-230-of-2022.pdf>
 - AEML D - <https://merc.gov.in/wp-content/uploads/2023/03/Order-231-of-2022.pdf>
 - AEML G - <https://merc.gov.in/wp-content/uploads/2023/03/Order-229-of-2022.pdf>
- AEML will receive an amount of INR 1,574 cr (INR 1,496 Cr Principal and carrying cost) towards Approved Past Period Revenue Gap during next 2 years along with carrying cost (*Refer page 6*)

Tariff Update

- New Tariffs of AEML, Tata Power, BEST and MSEDCL for FY2024 and FY2025 released by Regulator will be effective from 1st April 2023 (*Refer page 6 for detailed tariff comparison*). Average tariff increase is as follows:

Average Tariff Increase (% y-o-y)				
	AEML	Tata Power	BEST	MSEDCL
FY2024	2.20%	11.90%	5.07%	2.90%
FY2025	2.10%	12.20%	6.35%	5.60%

- AEML's zero dependence on imported coal and power cost optimization through long term PPAs of Hybrid RE power and medium term power arrangements are key to its competitiveness

AEML is Mumbai's most obvious choice with the most competitive tariff's powered by Renewable Energy

Significant tariff advantage over Second Licensee

Tariff comparison between AEML and Second

	AEML			Second Licensee		
	FY2023	FY2024	FY2025	FY2023	FY2024	FY2025
Average Tariff (INR / unit)	8.39	8.57	8.76	7.53	8.42	9.45
% increase		2.18%	2.13%		11.90%	12.20%
<i>MTR Order Reference - Page No.</i>	<i>Order No. 231 of 2022, Pg.409</i>			<i>Order No. 225 of 2022, Pg.231</i>		

Tariff comparison by Category

Category	AEML		Second Licensee	
	FY2024	FY2025	FY2024	FY2025
Residential				
101-300	7.76	8.00	7.33	9.03
301-500	9.66	9.70	10.98	12.23
>500	10.76	10.75	11.63	12.83
Commercial				
LT II (a) (< 20 KW)	8.26	8.35	8.58	10.43
LT II (b) (20 - 50 KW)	8.41	8.60	8.63	10.43
LT II (c) (> 50 KW)	8.66	8.80	8.88	10.38
Industrial				
HT I (Ind)	7.57	7.69	7.97	9.40
HT III (GHS)	7.02	7.19	7.87	9.10
<i>MTR Order Reference - Page No.</i>	<i>Order No. 231 of 2022, Pg.444 & 445</i>		<i>Order No. 225 of 2022, Pg.275 & 276</i>	

MTR Order : Recovery of Past Revenue Gap

The MTR Order has provided for recovery of almost the entire amount claimed by AEML
 Additionally, the Order also provides for carrying costs of INR 78 crores

Particulars	INR Crores		
	As per Company Books	Allowed by MTR Order	Variance
FY2020	(143)	(40)	103
FY2021	583	151	(432)
FY2022* (Net)	410	722	312
FY2023 - Provisional	664	649	(15)
Others		14	14
Principal Recovery	1,514	1,496	(18)

MTR Order Ref.

Order No. 231 of 2022 Table No.6-18,Pg.No.389

The spill over of FY2021 is on account of timing difference allowed for FY2022

*Net off Regulatory surplus

Regulatory Asset Base (RAB) as per MERC Order

Order has permitted the entire capitalization incurred during last three years.
RAB increased from 5,607 (FY2019) crores to Rs 7,479 (FY2022) -CAGR of 10.1%

Particulars	INR Cr		
	FY2020	FY2021	FY2022
Opening RAB	5,607	6,227	6,943
Addition	1,045	1,245	1,089
Retirement	(48)	(21)	(58)
Depreciation	(377)	(508)	(495)
Closing RAB	6,227	6,943	7,479