

**Creating Shareholders' Value by Demerger of Gas Sourcing and Distribution  
Business from Adani Enterprises Limited in to Adani Gas Limited**



**Thinking big, Doing better**

**January 18, 2018**



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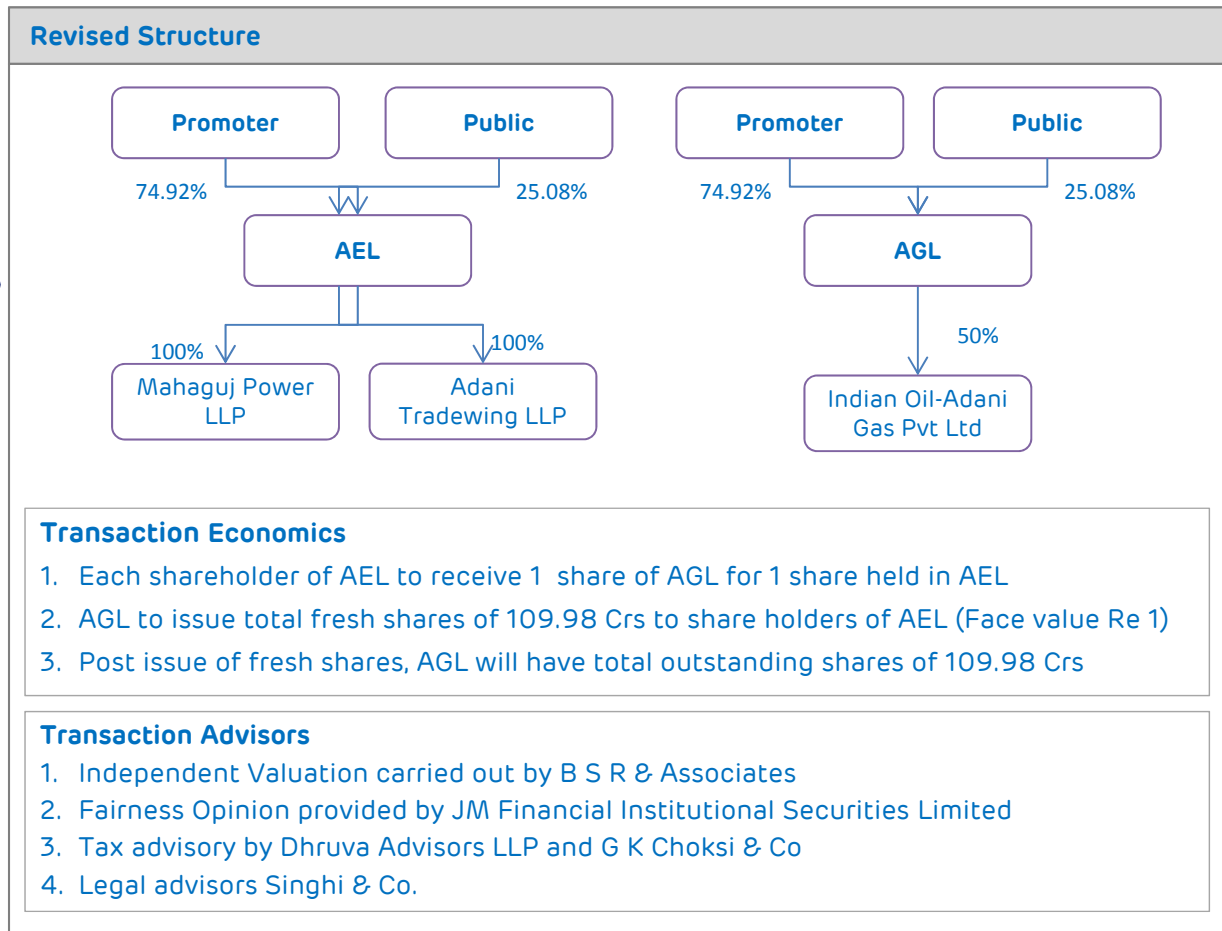
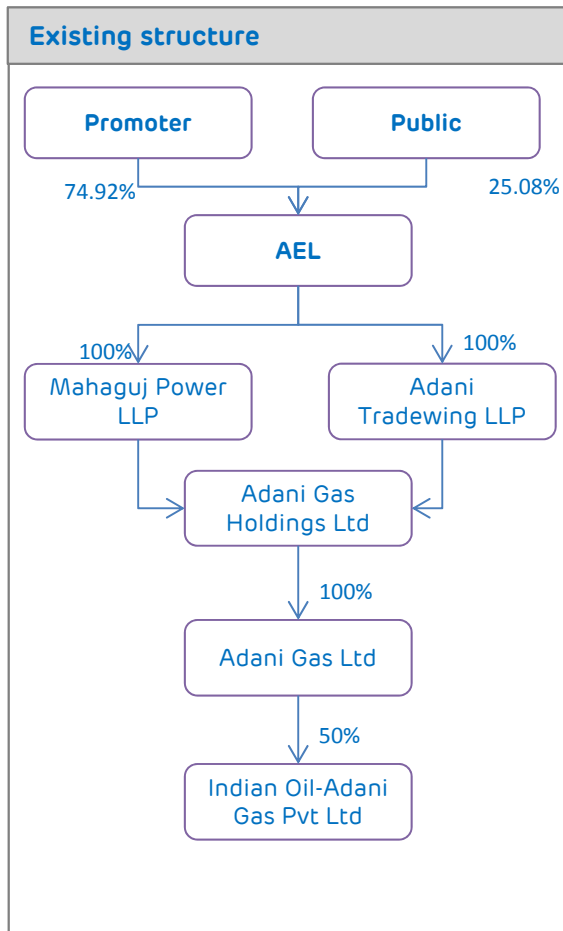
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## Transaction overview

- Adani Gas Holding Limited (“AGHL”) to merge into Adani Gas Limited (“AGL”) and Adani Enterprises (“AEL”) to de-merge its Gas Sourcing and Distribution Business into AGL
- AGL to issue fresh shares to share holders of AEL and to be listed on BSE and NSE post completion of requisite approvals
- AEL shareholders will receive 1 equity share of AGL (Face Value of Re 1) for every 1 equity share held in AEL
- Pro-forma ownership in AGL post transfer of Gas Sourcing and Distribution Business:
  - Promoters – 74.92%
  - Public – 25.08%
- To be effected by way of a Scheme of Arrangement between AEL, AGL and AGHL and their respective shareholders and creditors to be approved by National Company Law Tribunal
- Transaction expected to be concluded by second quarter of FY19

# Proposed Scheme of Restructuring



## Transaction Rationale

### Leading Private Sector CGD Company in India with significant growth opportunities

- With a fully operational portfolio of 4 cities in AGL and 9 cities authorised to operate through its 50: 50 joint venture with Indian Oil Corporation Limited, AGL will be the leading Private Sector CGD Company in India
- CGD is end customer facing business, listing of AGL will provide AGL with brand awareness for future growth

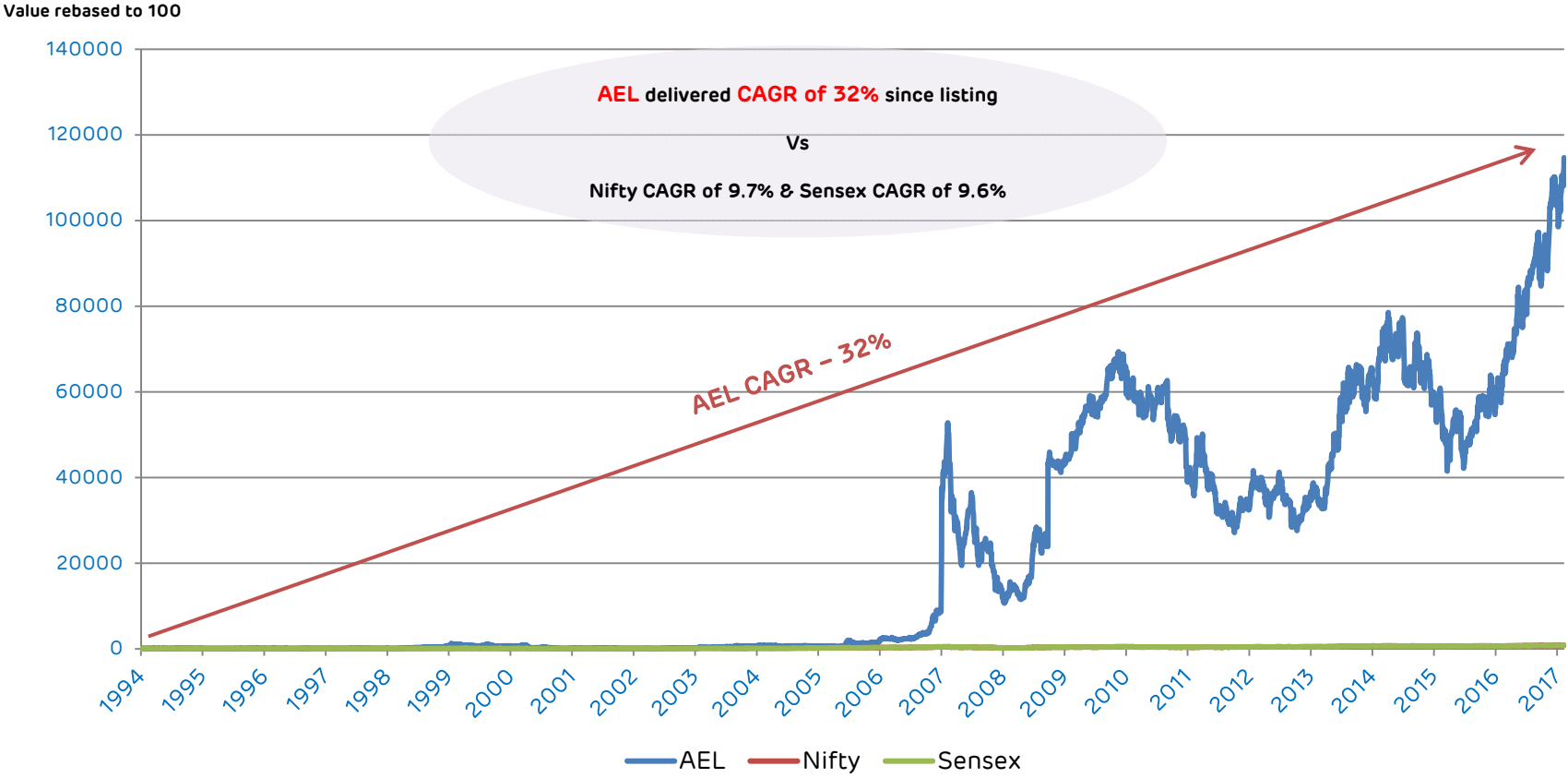
### Focussed Pure Play Gas Marketing and Distribution

- AGL will be a pure play gas marketing and distribution company with stable cash flows
- All the CGD assets will be housed under AGL
- Focused management team to capture emerging opportunity in Gas as Green Fuel

### Shareholder Value Unlocking

- Unlocks value of CGD business currently embedded in the value of AEL
- Shareholders to get direct exposure to high growth CGD business of AGL, removing any holding company discount

# Adani Enterprises : Exemplary Value creation (since listing)



Source Data Bloomberg

## Transaction Approvals & Indicative Timeline

Sr . No.	Key Approvals	Indicative Timeline
1	Receipt of observations/comments from Securities and Exchange Board of India / Stock exchanges on the Scheme	February, 2018
2	Approval of the Scheme by shareholders and creditors of AEL and AGL	April, 2018
3	Sanction of the Scheme by NCLT	May, 2018
4	Receipt of listing approval in respect of shares to be issued by AGL to shareholders of AEL	June, 2018
5	Receipt of trading approval in respect of shares to be issued by AGL to shareholders of AEL	2Q FY 19

## Consolidated Financials of AEL – Pre and Pro-forma post demerger of Gas Sourcing and Distribution Business as on 31<sup>st</sup> December 2017

### AEL Consolidated Financials as on 31<sup>st</sup> December 2017

Particulars	Pre Demerger (Rs. Crs)	Post Demerger Pro-forma (Rs. Crs)
Total Revenue	28,076	27,081
EBIDTA	2,548	2,268
PAT	569	445
Diluted EPS	6.9	5.4
Attributable Equity	15,194	14,590



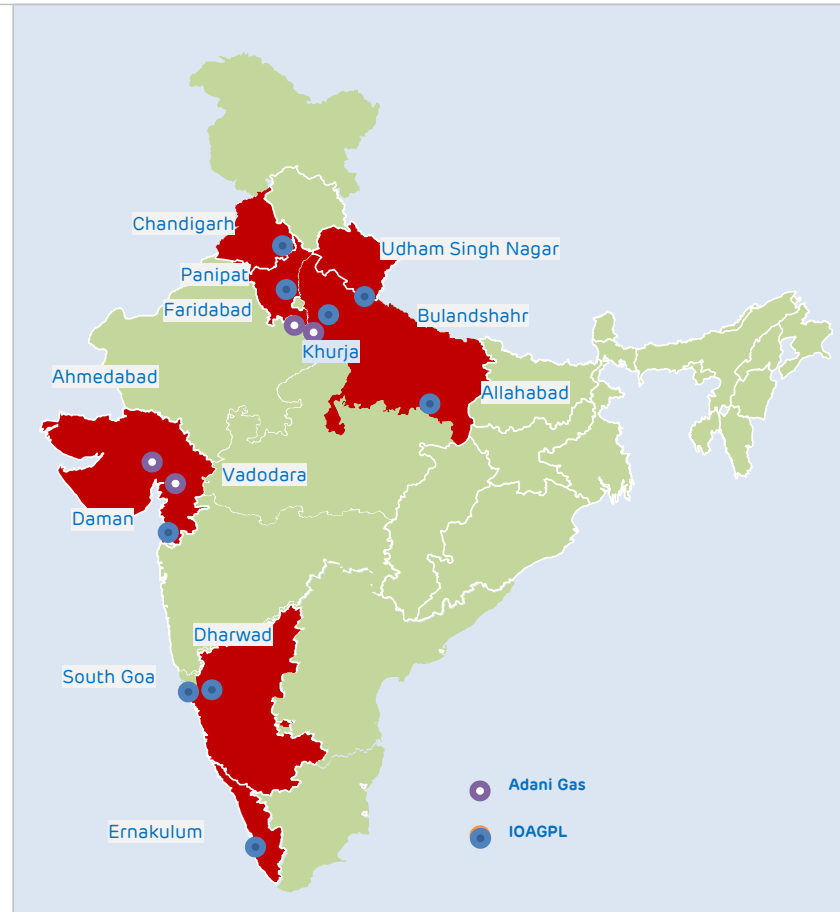
# AGL Business Objective

To provide Clean Energy Solutions to the Nation which is Environment Friendly, Safe, Convenient, Reliable and Economical



## AGL Business Overview

- Natural Gas Distribution Pipeline Network in Ahmedabad, Vadodara, Faridabad & Khurja on BOOM basis
- Over 150,000 vehicles operating on ADANI CNG
- 1060 Industrial units, 2400 Commercial units and 300,000 Houses using ADANI PNG
- 50:50 JV with Indian Oil Corp. Ltd (IOC) is setting up CGD networks in 9 Districts – Chandigarh, Allahabad, Panipat, Bulandshahr, Daman, South Goa, UdhamSingh Nagar, Dharwad and Ernakulum



# AGL Business Overview

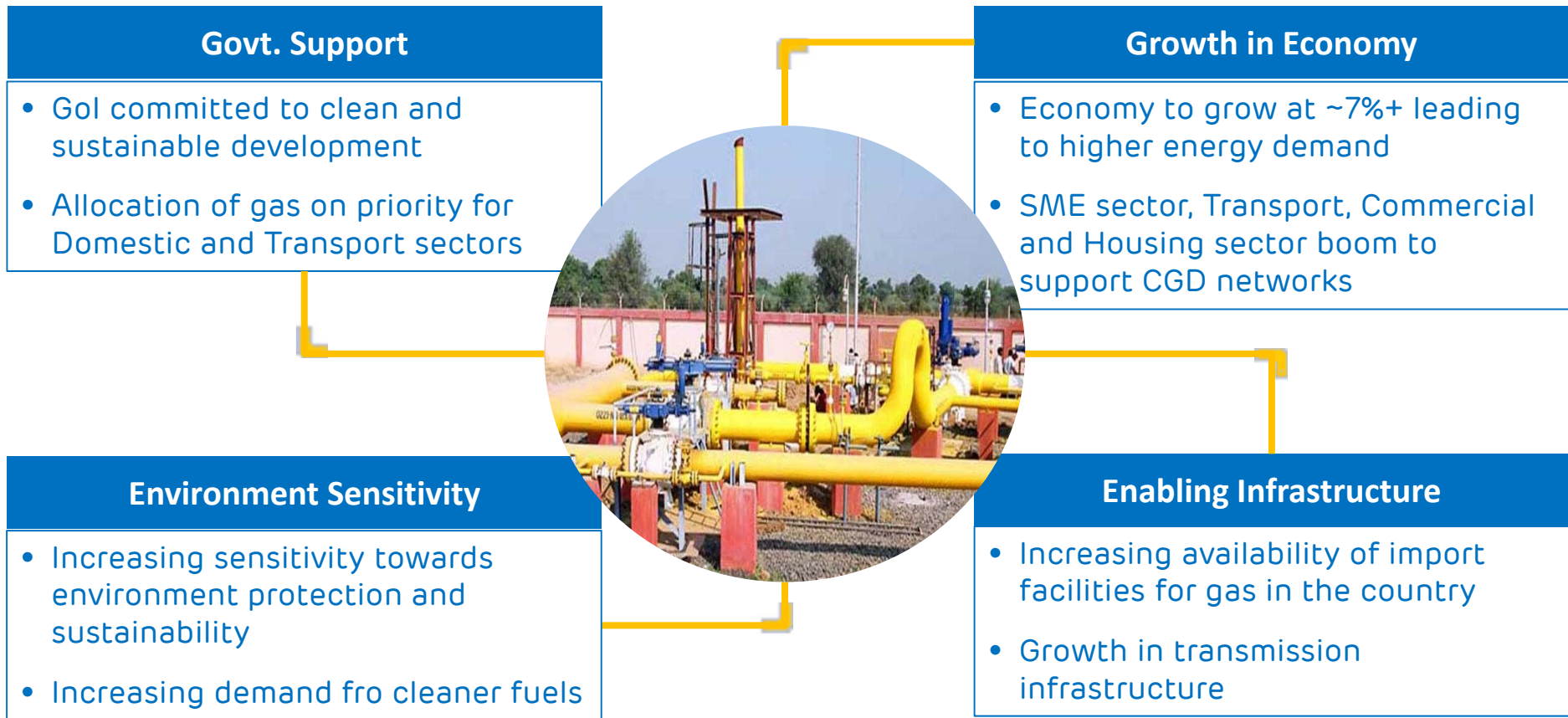


Operational Cities) *	:	4 nos.
Investment (till Mar'17)	:	Rs. 1150 Crs
Steel Pipeline	:	~ 370 Kms
PE Network	:	~ 5200 Kms
CNG Stations	:	71 nos.
Customer Base	:	450,000
Total Gas throughput	:	> 1,500,000 SCMD



The data above excludes 50:50 JV with India Oil Corporation Limited

# CGD Business Drivers



## Supportive Policy Framework

### Award of Licence

- Award of Geographical Area (GA) based on Open Bidding
- Bids for 100 new GA are likely by 2019
- Minimum Work Program well defined
- 25 years exclusivity for infrastructure development
- 5 years Marketing exclusivity



### Supply of Gas

- Government allocates gas for CNG & domestic use
- Gas for other segments bought from open market



### Pricing Mechanism

- No regulatory control on Sales Price
- Sales price are benchmarked to alternate fuel in each segment
- Natural Gas will have clean and Green premium over alternative fuel



# AGL Capabilities & Achievements

- In-house Team for Design, Engineering, Operations & Maintenance
- Certifications: ISO 9001, ISO 18000
- PESO certification for all its assets
- Network operated remotely through state of the art "SCADA" system
- First Utility Co to implement SAP, MCF and Syclo
- 100% Safety record
- Great Place to Work Ranking # 18,  
Times Dream Co. to work for Ranking # 16

times ascent  
Dream Companies  
to work for

RANK  
16  
Adani Gas Ltd.

GOVERNMENT OF INDIA  
PEESO

Powered by  
**SAP**

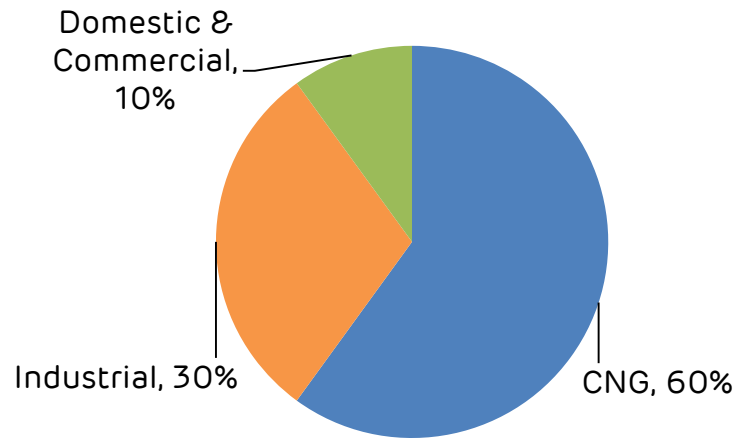
GREAT PLACE TO WORK  
CERTIFIED  
INDIA

100%  
Committed  
to Safety

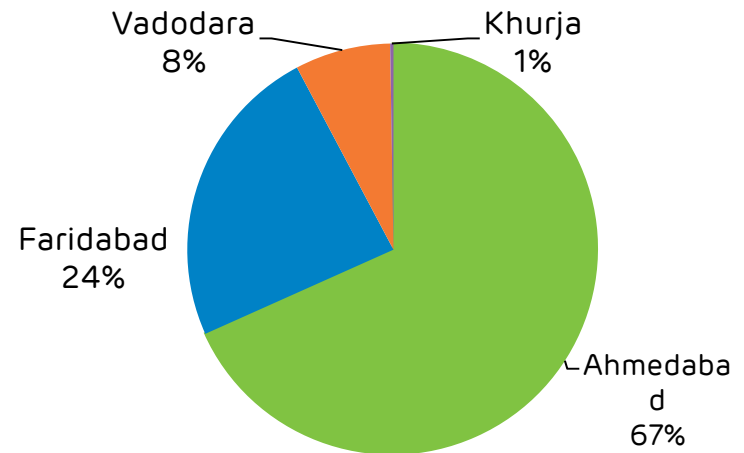
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# AGL Revenue Portfolio

Segment wise Revenue Mix



Location wise Revenue Mix



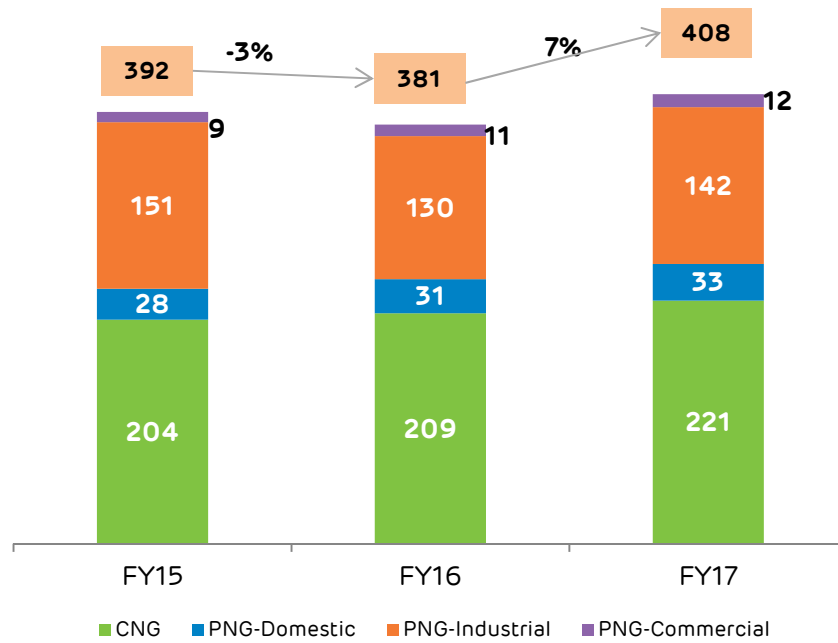
Revenue Mix based on FY17



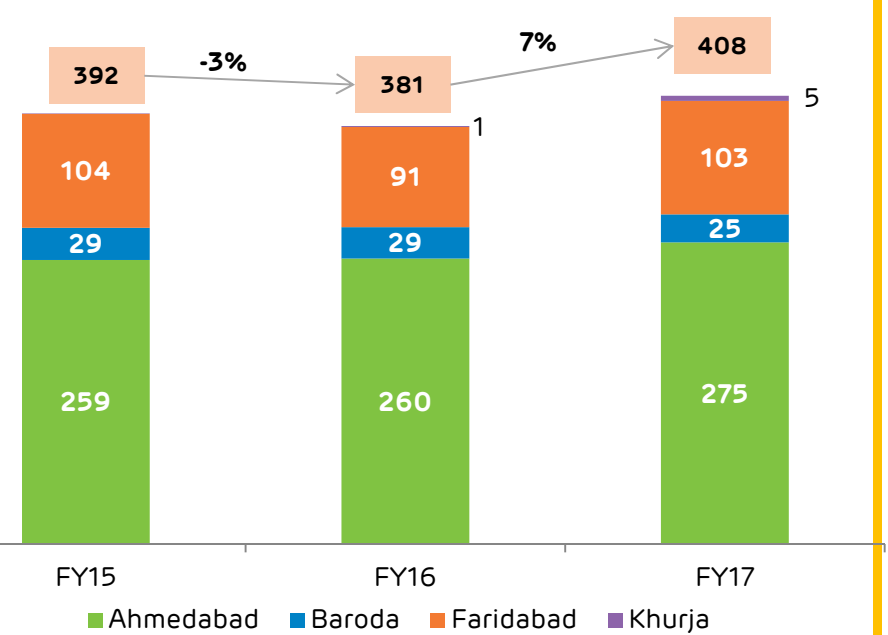
# AGL Performance

Volume in MMSCM

### Volume by Segment



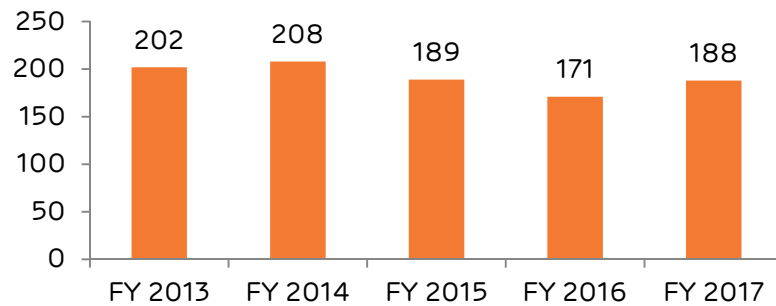
### Volume by Geography



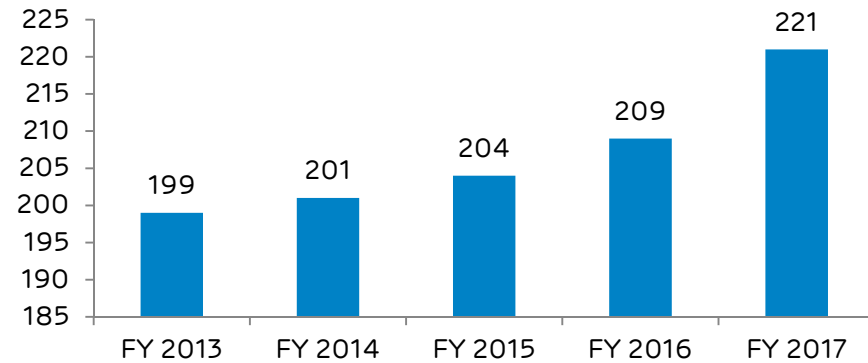


# AGL Performance

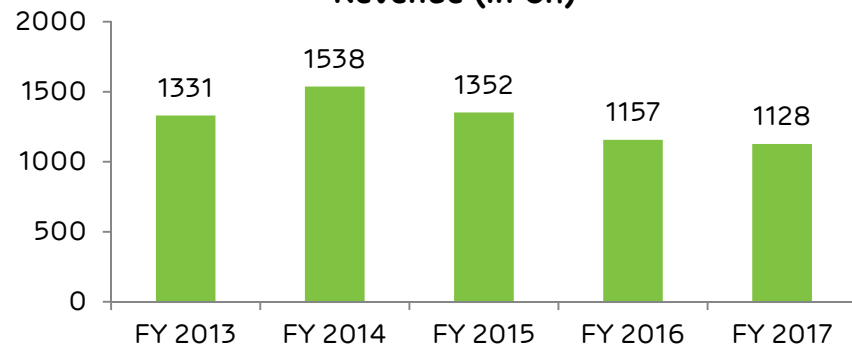
### PNG Sales Volumes (MMSCM)



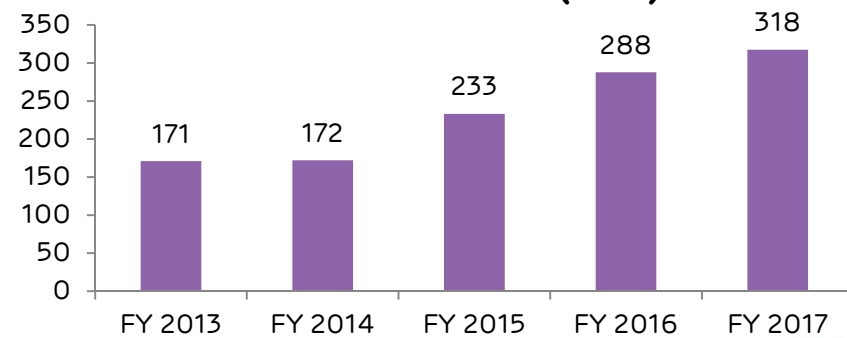
### CNG Sales Volumes (MMSCM)



### Revenue (In Cr.)



### EBDITA (In Cr.)



## Resilient and reliable supply chain

### Gas Supply and distribution relationship with leading PSUs :



Gujarat State  
Petronet Ltd.



### Leading Equipment suppliers:



- Gas Purchase agreement with Gail India Limited and GSPC
- Long term relationship with Equipment suppliers, Kirlosker, Parker, Duraline etc.
- Upcoming LNG terminal at Mundra and Dhamra will lead to integrated and stable supply chain
- Partnership with IOC for JV company will have strategic advantages
- Govt commitment for allocation of APM for Domestic and CNG and increasing domestic production

## Secure financial relationships backed by strong balance sheets :

### Long term relationships with Country's Top Banks



### Strongly backed by Group's financial position

Adani group is one of the largest and fastest growing groups in India with notable presence in sectors like Logistics, Mining, Coal Trading, Power (Thermal, Transmission & Renewable), Agro, Gas Distribution, etc.

AGL has been assigned Long Term Credit Rating of A+ and Short Term Credit Rating of A1+ by ICRA

## Nation Building - Sustainability Agenda

- **Safe, Efficient and Cost effective way of delivering fuel to the end user - Sustainable and viable Utility for future**
- **Supporting low emission growth**
- **Providing Skill development & job opportunities for 2,00,000 skilled manpower**
- **Helping the Government in its agenda to increase natural gas usage**



adani™

Thank You

