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FY20 Highlights



Environmental

1,772.62 tCO₂e

EMISSIONS SAVED THROUGH OWN SOLAR GENERATION

5 STAR RATING

RECEIVED FROM MAHARASHTRA POLLUTION CONTROL BOARD (MPCB)

5

NUMBER OF SUBSTATIONS WITH RAINWATER HARVESTING

[Read more on Page 62](#)



Social

11,980

TOTAL WORKFORCE

3 MILLION+

DISTRIBUTION CUSTOMERS

₹18.14 CRORE

CSR EXPENDITURE

[Read more on Page 80](#)



Governance

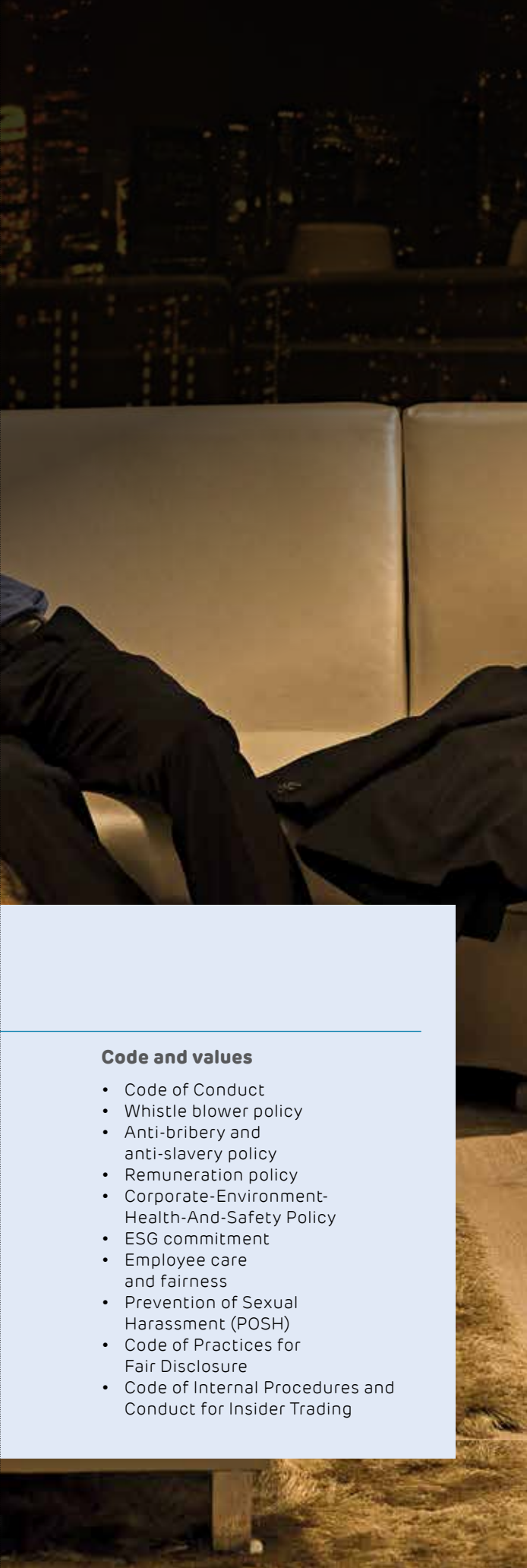
Structure and oversight

- Board with strong independence
- Business Responsibility Policy
- Fully Independent Audit Committee
- Risk Management Policy

Transparency and reporting

- Material events policy
- Related party transactions
- Quarterly self-declaration on the web

[Read more on Page 52](#)



Code and values

- Code of Conduct
- Whistle blower policy
- Anti-bribery and anti-slavery policy
- Remuneration policy
- Corporate-Environment-Health-And-Safety Policy
- ESG commitment
- Employee care and fairness
- Prevention of Sexual Harassment (POSH)
- Code of Practices for Fair Disclosure
- Code of Internal Procedures and Conduct for Insider Trading

We are steadfast in our pursuit of energising and empowering the remotest corners of India by connecting sources of generation to consumption centres. As an enterprise of global repute, our ability to add value to all our businesses lies in our unwavering focus on delivering excellence in key areas of innovation, customer experience and sustainability. We are building a vibrant ecosystem by deepening our relationships with our customers, employees, business partners and other key stakeholders, thereby laying a strong foundation for sustainable and profitable growth.

Resolute – India’s energy requirement is set to quadruple in the next few years. As largest private power transmission and retail electricity distribution company in the country, Adani Transmission Limited (ATL) is fully geared to create strong and reliable electricity transmission and distribution networks and contribute towards achieving India’s target of ‘Power for All’ by 2022.

[Read more on Page 12](#)

Robust – Our strategy of growing the transmission and retail electricity distribution networks and consumer base is well on track. We are consistently operating at more than 99% availability. The continued demand growth on the retail electricity distribution side cushions the business from market volatilities and economic cycles.

[Read more on Page 34](#)

Responsible – The long-term success of our business is rooted in our ability to keep sustainability at the core of our endeavours. Our unwavering commitment towards balancing business growth, environmental stewardship and social progress bears testimony to our concerted and responsible efforts towards transitioning to a brighter future.

[Read more on Page 50](#)



About the Report

Approach to Reporting

At Adani Transmission Limited (ATL), we began our Integrated Reporting <IR> journey in FY19 in our endeavour to provide transparent, holistic communication to our stakeholders. This is our second Integrated Report, in which we continue to demonstrate how ATL creates long-term value for its stakeholders. Through this Report, the Company discloses its financial and non-financial performance during FY20, along with information on its governance, strategy, performance and outlook. The key non-financial aspects include the Company's operations and its Environmental, Social and Governance (ESG) performance.

The statutory section of the report is an account of the financial, risk and capital management disclosures supported by annual financial performance of material subsidiaries and consolidated structured entities. The ESG section provides information regarding stakeholder relationships, material matters, risks and opportunities, and forward-looking strategy.



Standards and Framework

The narrative sections of the Report follow the International Integrated Reporting Council (IIRC). The statutory sections, including the Directors' Report; its annexures, including the Management Discussion and Analysis (MDA), and the Corporate Governance Report, are as per the Companies Act, 2013 (including the rules framed thereunder); Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and the revised Secretarial Standards issued by The Institute of Company Secretaries of India. The financial statements are in accordance with the Indian Accounting Standards.

Boundary

The Report covers information on Adani Transmission Limited (ATL) and its material subsidiary including Mumbai Generation, Transmission and Distribution (GTD) housed under Adani Electricity Mumbai Limited (AEML). AEML distribution business details are provided in a separate section on Page 94.

Materiality

Our ability to create value in the short, medium and long term is impacted by multiple factors, including the externalities, operating environment, our responses to the risks and opportunities, and our chosen strategy. Through this Report, we provide context to what we deem as our material topics.

Board and Management Assurance

We apply a risk-based, combined assurance approach to the Company's operations. Internal controls, management assurance, compliance and internal audit reviews, as well as the services of independent external service providers support the accuracy of disclosures within our published reports. In line with their respective mandates, specific reports are reviewed and recommended to the Board for approval by the Audit, Stakeholder Relationship, Risk, CSR & Sustainability, Remuneration & Nomination and Securities Transfer.

For FY20, DNV GL Business Assurance India Private Limited conducted assurance on selected environmental, social and governance indicators. Deloitte Haskins & Sells LLP (Firm Registration no. 117366W/W-100018), our statutory auditors, have audited our annual financial statements. Information relating to the scope and conclusions of these statements can be found in the Independent Auditor's Report, and the Company's annual financial statements, all of which are available in the report.

The Board of Directors and Management Team acknowledge their responsibility of ensuring the integrity of this Report. The Board has accordingly applied its collective mind and believes it addresses all material issues and presents the integrated performance of the Company and its impact in a fair and accurate manner. Stakeholders can to review the Report and provide feedback at jaladhi.shukla@adani.com

Capitals and Value Creation

As an integrated electric utility, we play an important role in the development of the nation, people and business. Our relationships with our stakeholders play a key role in delivering essential services, as we pursue our ambition to create a positive impact on the society and deliver shareholder value.

We monitor the impact and outcomes of our business activities on the six capitals through stakeholder engagement and risk evaluation process. Our ability to create long-term value (outputs and outcomes) is interrelated and fundamentally dependent on the capitals available to us (inputs) and how we use them (value-accretive activities).



Financial capital

We judiciously deploy the funds that we raise and ensure that we enhance and add value to the financial returns that our business generates, for our stakeholders.

[Read more on Page 40](#)



Manufactured capital

Our manufacturing assets, plant, property and equipment form our manufactured capital.

[Read more on Page 06](#)



Human capital

The collective skills and experience of our workforce add value to our business outcomes.

[Read more on Page 74](#)



Intellectual capital

With the proprietary knowledge we possess and the innovations we drive to improve our processes and products, we add value to our business outcomes.

[Read more on Page 44](#)



Social and relationship capital

Our relationships with our stakeholders in the value chain and communities around us help us fulfill our role as a responsible corporate along with long term value creation, while also ensuring our social license to operate.

[Read more on Page 80](#)



Natural capital

While we depend on the raw materials sourced from nature, we ensure that through our efficient operations, we make optimum use of the resources, have minimum impact on the environment and reduce our carbon footprint.

[Read more on Page 62](#)

Introducing ATL

Energising India. Enriching Lives.

ATL is the largest private power sector transmission and retail electricity distribution company in India. The Company builds, commissions, operates and maintains electric power transmission systems, and distributes electricity in the suburbs of Mumbai. Its operational projects in Gujarat, Maharashtra, Rajasthan, Madhya Pradesh, Uttar Pradesh, Chhattisgarh and Haryana comprise 11,576 ckt km (circuit kilometres) of electric transmission lines with a total transformation capacity of 18,330 MVA. The transmission networks are consistently operating at more than 99.76% availability.

Our power transmission business in India focuses on the execution of new transmission systems under licensing from central and state electricity bodies, and Operations and Maintenance (O&M) of existing assets through outsourced partners. Our distribution business focuses on two aspects. First, expanding our customer base through high reliable & affordable power supply and exceptional customer service provided through continuous

investments & technological up-gradation. Second, modernising the operating model through Advance Metering Infrastructure to bring operational efficiency, flexibility and become at par with global utilities in FY19, we forayed into the retail electricity distribution space with the acquisition of Mumbai's Power Generation, Transmission and Distribution (GTD) business license. Today, Adani Electricity Mumbai Limited (AEML) caters to over 3 Million+ customers in the Mumbai suburbs and Mira-Bhayander Municipal Corporation in the Thane district with a distribution network spanning over 400 sq km.

We are poised to tap the vast potential for power evacuation in India and have set an ambitious target of operating 20,000 ckt km of transmission lines by 2022. Aligned with our business focus, we have developed the expertise in our people to create modern transmission assets for the nation, backed by efficient O&M support.

We factor in ESG performance in our core business objective of value creation.



Vision

To be a world class leader in businesses that enrich lives, create sustainable value and contribute to nation building.



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



Culture

P	R	I	D	E
Passion	Results	Integration	Dedication	Entrepreneurship
Performing with enthusiasm and energy	Consistently achieving goals	Working across functions and businesses to create synergies	Working with commitment in the pursuit of our aims	Seizing new opportunities with initiatives and ownership

About Adani Group

Adani Group is a diversified organisation in India with combined market cap of \$ 21 Billion, comprising six publicly traded companies. It has created a world-class transport and utility infrastructure portfolio with a pan-India presence. Adani Group is headquartered in Ahmedabad, in the state of Gujarat, India. Over the years, the Group has positioned itself to be the market leader in its transport logistics and energy utility portfolio businesses, focussing on large scale infrastructure development in India with O&M practices benchmarked to global standards. With four Investment Grade (IG) rated businesses, it is the only Infrastructure Investment Grade issuer in India.

Adani Group owes its success and leadership position to its core philosophy of 'Nation Building' driven by 'Growth with Goodness' – a guiding principle for sustainable growth. The Group is committed to increasing its ESG footprint by realigning its businesses with emphasis on climate protection and increasing community outreach through its CSR programme based on the principles of sustainability, diversity and shared values.

Key Achievements

- Won six transmission bids [including a Letter of Intent (LOI) received for one project]
- Qatar Investment Authority (QIA) invested ₹ 3,220 Crores for a 25.10% stake in AEML and for shareholder subordinated debt in AEML
- Cost optimisation through US Dollar bond issuance
 - (i) ATL's maiden and the first US Private Placement (USPP) 30-year amortising bond from India in a decade was priced at 5.20% for \$ 400 Million for six stapled assets
 - (ii) Adani Transmission Limited raised \$ 500 Million bond at 4.25% coupon amortising over 16.5 years
- 5S implementation completed at all substations and transmission lines
- Distribution loss reduced to 7.37%*
- Transmission line of 227# ckt km got operational

FY20 Operational Highlights



TRANSMISSION LINES 11,576 ckt km	TRANSMISSION SYSTEM AVAILABILITY ~99.76%
POWER TRANSFORMATION CAPACITY 18,330 MVA	DISTRIBUTION SUPPLY RELIABILITY [AVERAGE SERVICE AVAILABILITY INDEX (ASAI)] ~99.99%

#Including one element of GTL line

*Provisional figure as March sales values are estimated owing to COVID-19 related restrictions

Project Portfolio

Balanced Mix Insulates from Market Volatility

	Transmission System	Route Length (ckt km)	Transformation Capacity (MVA)	No. of substations	Counterparty
 Operational Assets	Maharashtra Eastern Grid Power Transmission Company Limited (MEGPTCL)	1,217	6,000	2	State
	Adani Transmission India Limited (ATIL)	3,834	6,630	3	Centre/State
	Aravali Transmission Service Company Limited (ATSCL)	97	630	1	State
	Maru Transmission Service Company Limited (MTSCL)	300	730	1	State
	Western Transmission (Gujarat) Limited (WTGL)	974	-	-	Centre
	Western Transco Power Limited (WTPL)	2,089	-	-	Centre
	Adani Electricity Mumbai Limited (AEML)*	566	3,125	8	State
	Adani Transmission Bikaner Sikar Private Limited (ATBSPL)	343	-	-	State
	Sipat Transmission Limited (STL)	348	-	-	Centre
	Raipur Rajnandgaon-Warora Transmission Limited (RRWTL)	611	-	1	Centre
	Chhattisgarh-WR Transmission Limited (CWRTL)	434	630	1	Centre
	Adani Transmission (Rajasthan) Limited (ATRL)	278	-	-	State
	Hadoti Power Transmission Service Limited (PPP 8)	116	310	5	State
	Barmer Power Transmission Service Limited (PPP 9)	133	150	6	State
	Thar Power Transmission Service Limited (PPP 10)	164	125	5	State
	Ghatampur Transmission Limited (GTL) (1 of 3 elements in operation)	98	-	-	State
SUB-TOTAL		11,576	18,330	33	
 Under-construction Assets	North Karanpura Transco Limited (NKTL)	299	1,000	1	Centre
	Fatehgarh-Bhadla Transmission Limited (FBTL)	291	-	1	Centre
	Ghatampur Transmission Limited (GTL) (2 out of 3 elements in construction)	799	-	-	State
	Obra-C Badaun Transmission Service Limited (OBTL)	624	950	1	State
	Bikaner-Khetri Transmission Limited (BKTL)	472	-	-	Centre
	WRSS XXI(A) Transco Limited [WRSS XXI (A)]	290	3,000	1	Centre
	Lakadia Banaskantha Transco Limited (LBTL)	351	-	-	Centre
	Jam Khambaliya Transco Limited (JKTL)	38	2,500	1	Centre
	SUB-TOTAL		3,164	7,450	5
TOTAL (OPERATIONAL + ONGOING)		14,740	25,780	38	

*Includes assets under Mumbai Transmission Business of AEML (an integrated utility with Generation, Transmission & Distribution portfolio)

LOI received for Kharghar-Vikhroli project with a capacity of 500 MVA and a length of 74 ckt km

Projects under Construction



Immediate evacuation for North Karanpura (3x660 MW) Generation Project of NTPC along with the creation of a 400/220 kV substation at Dhanbad (ERSS- XIX)

Project Location
Jharkhand, Bihar

Regulator
Central Electricity
Regulatory Commission

Concession / TSA Term
35 years

Project Mode
TBCB

Project Type
Intra-state

Beneficiary State / Off-taker
Bihar, Jharkhand, West
Bengal and Odisha

Business Model
Build Own Operate Maintain



Transmission system for Ultra Mega Solar Park in Fatehgarh, Dist. Jaisalmer, Rajasthan

Project Location
Rajasthan

Regulator
Central Electricity
Regulatory Commission

Concession / TSA Term
35 years

Project Mode
TBCB

Project Type
Inter-state

Beneficiary State / Off-taker
Adani Renewable Energy Park
Rajasthan Limited (AREPRL)

Business Model
Build Own Operate Maintain



Transmission system for Evacuation of Power from 3X660MW Ghatampur Thermal Power Project

Project Location
Uttar Pradesh

Regulator
Uttar Pradesh Electricity
Regulatory Commission

Concession / TSA Term
35 years

Project Mode
TBCB

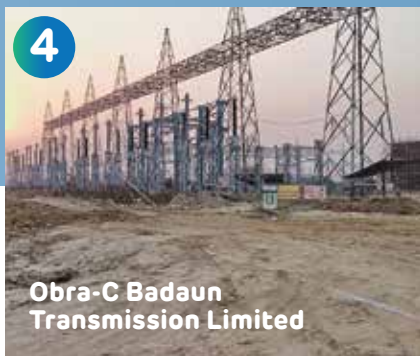
Project Type
Intra-state

Beneficiary State / Off-taker
Uttar Pradesh

Business Model
Build Own Operate Maintain

Project Portfolio Contd.

Projects Under Construction



Transmission system for evacuation of power from Obra-C (2x660 MW) Thermal Power Project & Construction of 400 kV GIS Substation Badaun with associated transmission lines

Project Location

Uttar Pradesh

Regulator

Uttar Pradesh Electricity Regulatory Commission

Concession / TSA Term

35 years

Project Mode

TBCB

Project Type

Inter-state

Beneficiary State / Off-taker

Uttar Pradesh

Business Model

Build Own Operate Maintain



Western Region Strengthening Scheme – 21 (WRSS-21) Part A – Transmission system strengthening for relieving over loadings observed in Gujarat intra-state system due to Renewable Energy (RE) injections in Bhuj PS

Project Location

Gujarat

Regulator

Central Electricity Regulatory Commission

Concession / TSA Term

35 years

Project Mode

TBCB

Project Type

Inter-state

Beneficiary State / Transmission Customers

Renewable energy generators

Business Model

Build Own Operate Maintain



Transmission system associated with Long-term Access (LTA) applications from Rajasthan SEZ Part-D

Project Location

Rajasthan

Regulator

Central Electricity Regulatory Commission

Concession / TSA Term

35 years

Project Mode

TBCB

Project Type

Inter-state

Beneficiary State / Transmission Customers

Renewable energy generators

Business Model

Build Own Operate Maintain



7

Lakadia Banaskantha Transco Limited

Transmission system associated with RE generations at Bhuj II, Dwarka Lakadia

Project Location
Gujarat

Regulator
Central Electricity Regulatory Commission

Concession / TSA Term
35 years

Project Mode
TBCB

Project Type
Inter-state

Beneficiary State / Transmission Customers
Renewable energy generators

Business Model
Build Own Operate Maintain



8

Jam Khambaliya Transco Limited

Transmission system for Jam Khambaliya Pooling Station and interconnection of Jam Khambaliya Pooling Station for providing connectivity to RE projects (1500 MW) in Dwarka (Gujarat) and installation of 400/220 kV Inter-connecting Transformer (ICT) along with associated bays at M/s CGPL Switchyard

Project Location
Gujarat

Regulator
Central Electricity Regulatory Commission

Concession / TSA Term
35 years

Project Mode
TBCB

Project Type
Inter-state

Beneficiary State / Transmission Customers
Renewable energy generators

Business Model
Build Own Operate Maintain

Project awarded through TBCB; SPV acquisition under progress as per RFP



9

Kharghar Vikhroli Transmission Private Limited

Transmission system for 400 kV Vikhroli receiving station and associated incoming transmission lines for strengthening the Mumbai transmission system

Project Location
Maharashtra

Regulator
Maharashtra Electricity Regulatory Commission

Concession / TSA Term
35 years

Project Mode
TBCB

Project Type
Inter-state

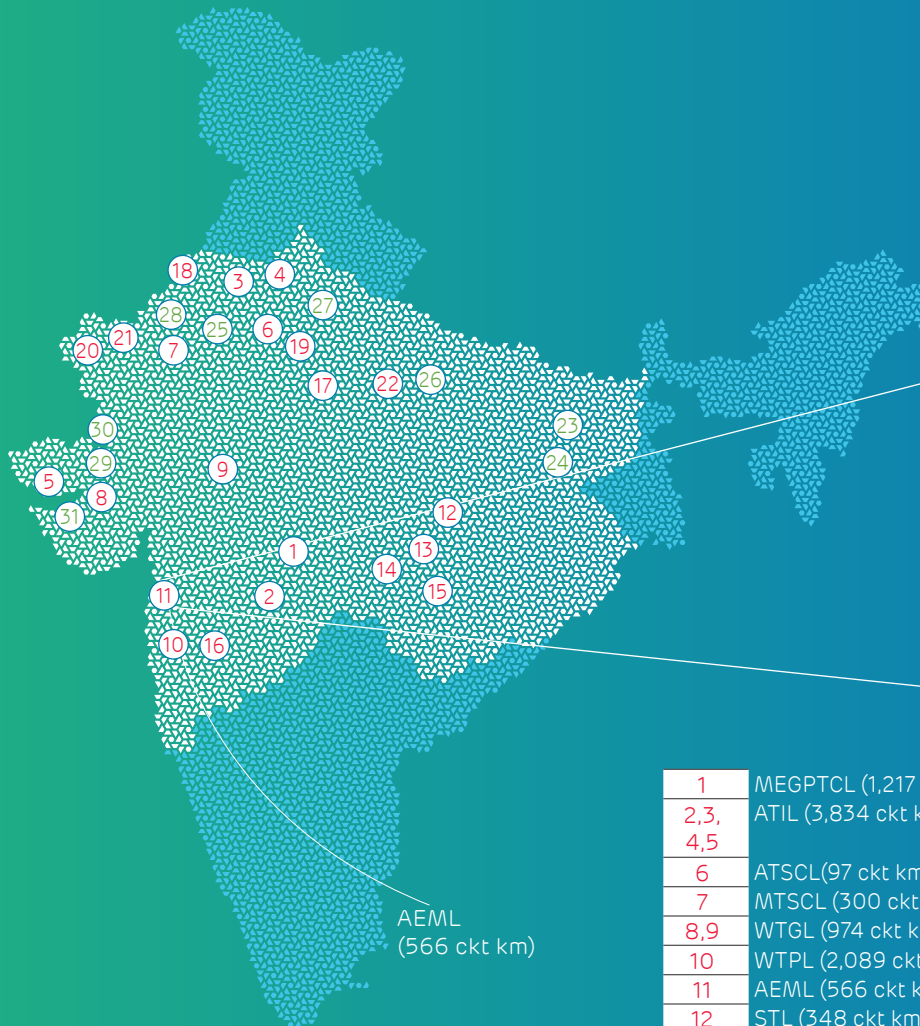
Beneficiary State / Transmission Customers
Maharashtra Discoms, Business Parks and Indian Railways

Business Model
Build Own Operate Maintain

Geographic Footprint

Expanding Access to the Grid

Presence in nine states with operational and under-construction projects comprising transmission lines of ~14,740 ckt km and substations with transformation capacity of 25,780 MVA.



Operational assets are plotted in red
Under-construction assets are plotted in green

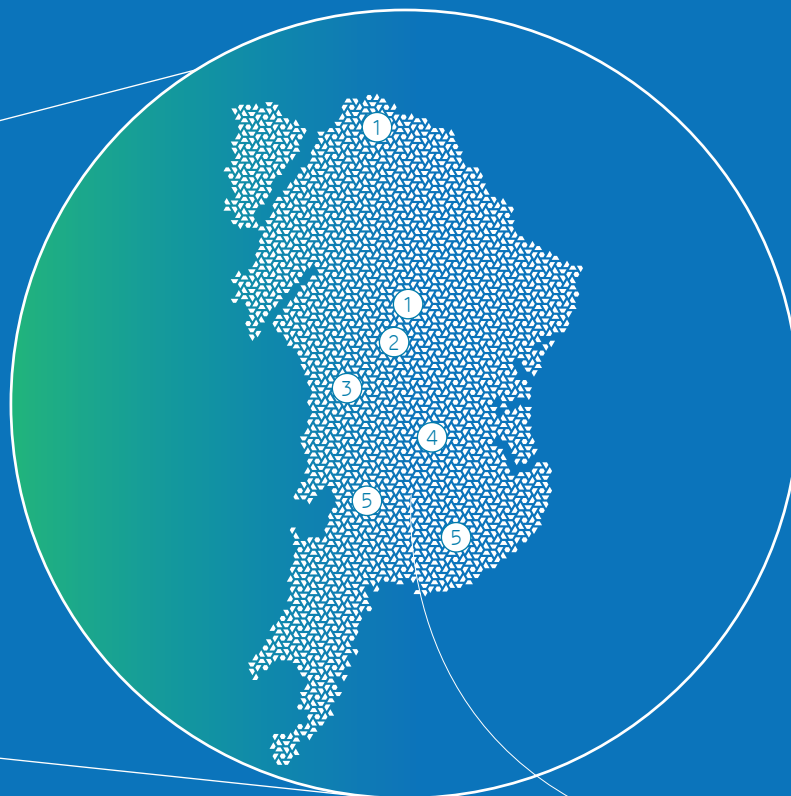
1	MEGPTCL (1,217 ckt km)	19	HPTL (116 ckt km)
2,3, 4,5	ATIL (3,834 ckt km)	20	BPTL (133 ckt km)
6	ATSCL (97 ckt km)	21	TPTL (164 ckt km)
7	MTSCL (300 ckt km)	22	GTL** (98 ckt km)
8,9	WTGL (974 ckt km)	23,24	NKTL (299 ckt km)
10	WTPL (2,089 ckt km)	25	FBTL (291 ckt km)
11	AEML (566 ckt km)	26	GTL** (895 ckt km)
12	STL (348 ckt km)	27	OBTL (623 ckt km)
13,14	RRWTL (611 ckt km)	28	BKTL (472 ckt km)
15,16,17	CWRTL (434 ckt km)	29	WRSS (290 ckt km)
18	ATRL (278 ckt km)	30	LBTL (351 ckt km)
		31	JKTL (38 ckt km)

TRANSMISSION LINES OF

~14,740
ckt km

TRANSMISSION CAPACITY OF

25,780
MVA



AEML
(566 ckt km)

Notes:

- 1) Maps not to scale (just for representation purpose)
- 2) Assets includes fully built, under-construction projects based on regulatory - approved and bid-based tariff profiles.
- ** 1 GTL project is operational, 2 are under construction
- LOI received for Kharghar - Vikhroli project with a capacity of 500 MVA and a length of 74 ckt km

- 1 Dahanu - Ghodbunder Transmission line (169 ckt km)
- 2 MSETCL Boisar - Versova Transmission line (91 ckt km)
- 3 Dahanu - Versova Transmission line (106 ckt km)
- 4 Dahanu - MSETCL Viraj Transmission line (26 ckt km)
- 5 Other Transmission line within Mumbai (173 ckt km)

RESOLUTE

Key Statistics

OPERATIONAL EBITDA

₹ 4,287 CRORES

EARNINGS PER SHARE (EPS)

₹ 2.94

We have successfully navigated multiple economic cycles, emerging stronger in our resolve to deliver long-term sustainable value through our efficient management of electricity networks. Our proven execution capabilities and value-accretive business model have provided a strong foundation to achieve our ambitious targets and consistently deliver shareholder returns. We continuously refine our business processes and leverage the best available technologies to ensure industry-leading consistent year-on-year transmission line availability above 99% and further improve cost efficiency.

[14]	Chairman's Message
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Chairman's Message

Powered for Tomorrow

"Our businesses are closely aligned to the lifeline of the economy, enhancing the quality of life of citizens and addressing critical national priorities."



WE ALSO DE-RISKED THE DISTRIBUTION BUSINESS, ESTABLISHING OUR COMMITMENT TO GLOBAL STANDARDS OF GOVERNANCE BY BRINGING IN THE QATAR INVESTMENT AUTHORITY AS A STRATEGIC PARTNER.

Dear Stakeholders,

The Webster definition of resilience is "the capability of a strained body to recover its size and shape after deformation caused especially by compressive stress". It's hard to believe that it was less than three months ago, on 11th March 2020 that the World Health Organization declared the outbreak of COVID-19 as a pandemic, meaning COVID-19 has spread worldwide. If there ever has been a time when the need for global resilience has been critical, it is now.

The Power to Overcome

At times like this, one looks for inspiration. In this context, Wayne Muller, a well-known author, writes that for thousands of years humankind has suffered famine, war, plague, hunger, and countless injustices; it has experienced numberless births and deaths. Each community of people has had to find some way to speak about what sustained them or brought them grace—even in the midst of terrible sorrow. We have struggled to name this human trait, the universal force that makes the grass improbably push its way through concrete, the force that turns the earth, the energy that we seem to possess and blesses all life, the essential presence in our deepest nature that can never be spoken of with perfect accuracy but yet makes us what we are. History is one big story of human overcoming. It's what we are

born to do and it is what we have to overcome with collective wisdom of scientists, doctors and society.

Decisive Governance

What we must realise is that there are no absolute right or wrong ideas. What is required during an unprecedented, hard to model crisis like COVID-19, is a Government that is willing to make decisions based on best available information at a given point of time and constantly adapting as new information becomes available. For this, the Indian government and bureaucracy must be complimented. Countries with greater resources than ours have struggled and while our battle with the virus is far from over, I have no hesitation in stating that had the decisions that got made been delayed, we could have been facing unmitigated health infrastructure challenges that would have been far more painful. Yes, the economy and business has suffered immensely, lives and jobs have been impacted, and the migrant worker crisis saddened the entire nation, but the consequences of the unknown alternates could have been far grimmer. The direction that leaders of our nation, the doctors, the healthcare workers, the police, the army, the utility service providers, small street side vendors, and the citizens have taken to support each other is truly what defines India and its resilience. Added to this is the fact that the government

is now able to do direct benefits transfer as a result of the integrated approach it has proliferated to a large section of mass population through the Jan Dhan, Aadhaar and mobile-linked payments, which have paid dividends. There could not have been a more apt time to reap the benefits of the infrastructure that the government has the vision to put in place.

The Possibilities

Sitting where we are today, I can say that history is in process of being scripted. I will be the first to admit that I have no way of predicting the short or mid-term possible economic outcomes as a result of COVID-19. However, there cannot be any denying of the fact that India, over the next several decades, will be a market continuously on the up and one that simply cannot be ignored. It will be one of the world's top consumption centres, manufacturing and service hubs and a beacon of stable democratic governance. If there was a time to make a bet on India, there may not be a better time than now. What I can predict is that on the other side of this crisis will emerge massive new opportunities, will emerge great new leaders, will emerge terrific businesses and a few stronger nations. Those that succeed will be the ones that understand that resilience is built on the other side of the tunnel of crisis and we are already getting ready for this.

Resilient Group Performance

I am pleased to report that each one of our six publicly traded companies has performed well even as we started to confront the trying circumstances following the first few weeks of 2020. While we may have to do need-based course correction in our strategies in the wake of the challenge that we are facing, the roadmap remains clear. Our businesses are closely aligned to the lifeline of the economy, providing essential services to enhance the quality of life of citizens and addressing critical national infrastructure priorities. We look at our Group companies as individual growth drivers that complement each other's strengths.

Any shock to a system always helps drive home some key points and what the Indian businesses have learnt over the past few years, and most certainly post COVID-19, is the value of an optimal, and perhaps for some sectors, a conservative capital structure as well as the criticality to have systematic risk mitigation plans in place. Both optimal capital structures and risk mitigation are part of the maturing of the business philosophies as they grow in size and lay the foundation for stability as well as consistent value creation.

At the Group level, our focus is on re-assessing our 'risks' and improving 'rewards' by optimising capital utilisation, and redesigning the organisational structure in our businesses. I am happy to share that during the year, the Group has been able to bring strategic global equity partners in Adani Gas, Adani Green Energy Ltd, and Adani Mumbai Electricity Ltd. The total investment by partners is \$ 1.6 Billion and will help drive future growth of our businesses. It is also pertinent to mention that AEML (part of Adani Transmission) recently completed an investment grade, \$ 1 Billion bond issuance, the first by a private integrated utility from India. The issue generated significant interest from international investors and was oversubscribed by 5.9 times. Similarly, ATL achieved

distinctive feat of long-term \$ 400 Million overseas bonds with the US Private Placements, the proceeds from which would be used to refinance recently commissioned assets, further reduce the cost of debt and progressively further deleverage the balance sheet. In the preceding 12 months, the Group has successfully placed seven bonds in the international markets, totaling to \$ 4.26 Billion.

Robust Business Model

Over the last decade, India's power demand has grown at an average annual rate of 4.5%, which is slower than its GDP growth rate. This dichotomy is explained by the preponderance of the service sector led growth and the fact that vast swathes of the population were not connected to power grids. On the other hand, energy and peak deficits, which were unsustainably high at 10% and 12.7%, respectively, in FY10, have come down to 0.5% and 0.7%, respectively, in FY20. The removal of this hurdle, which held back India's economic growth and the well-being of its people for decades, was possible only with the contribution of the private sector aided by various supportive policies of the government and we have had the opportunity to have played a significant role as the largest private transmission and distribution company in the country.

To address the increased demand as well as ensure operational excellence, we have focused on improving supply infrastructure and distribution cost efficiencies. Technology upgrades and expansion of the infrastructure – both to reduce the large amount of power currently lost during transmission and to improve access to electricity – has allowed us to position ourselves extremely well as compared to all our peers in this sector.

Vertical Integration into Distribution

Last year, we made the decision to foray into the power distribution

OUR ENDEAVOUR IS TO MAKE THE MUMBAI RETAIL ELECTRICITY DISTRIBUTION A BENCHMARK FOR ANY DISTRIBUTION BUSINESS, BOTH ON THE NETWORK MANAGEMENT AND CUSTOMER SERVICE DIMENSIONS.

business with our 100% owned subsidiary AEML. This proved to be a year of inflection for the Group. AEML took over Mumbai's integrated Generation, Transmission and Distribution (GTD) utilities powering suburban Mumbai. This acquisition will be leveraged by the company to bid for more power distribution as it is likely to be opened up to public-private partnership, as a part of the government's reform agenda.

Our endeavour is to make the Mumbai retail electricity distribution a benchmark for any distribution business, both on the network management and customer service dimensions.

Policy and Certainty of Performance

We are also optimistic about the Indian government's targeted policies towards achieving '24x7 Power for All', which gives us the confidence to invest further in building capacities and exploring alternative means of power generation. Schemes such as the Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY), Saubhagya and Integrated Power Development Scheme (IPDS) are directed towards accelerating rural electrification and improving last-mile access. The introduction of tariff-based competitive bidding, delinking

of transmission planning from generation planning, and an overall empowering policy landscape will continue to encourage scale and infuse efficiencies into the system and allow us to position ourselves extremely well for continued growth.

We also de-risked the distribution business, establishing our commitment to global standards of governance by bringing in the Qatar Investment Authority as a strategic partner. We received a Letter of Intent (LOI) for Transmission Project bid under TBCB in Maharashtra, from Maharashtra State Electricity Transmission Company Limited (MSETCL) for the Project 400 kV Kharghar Vikhroli Transmission Private Limited. This will be the first ever 400 kV substation facility in the city of Mumbai and a harbinger of our approach that will see us continue to explore growth opportunities by leveraging our strong transmission network.

Group's Sustainability Journey

Our journey towards sustainability accelerated over the past 12 months. We are now leading the clean energy transformation taking place not just in India but globally, and our Group is building one of the largest integrated energy portfolios. Our vision is to become the world's largest solar power company by FY25, and the largest renewable power company by

FY30. I must mention here that our Group and TOTAL signed definitive agreements to deepen our existing partnership and commitment for developing multi-energy offerings for the Indian energy market. We are fully committed to supporting our nation in diversifying its energy mix through partnerships in natural gas and solar energy.

Growth with Goodness

We, at the Adani Parivar, are fighting the COVID-19 battle unitedly. Our Foundation has contributed ₹ 100 Crores to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund). I am equally grateful to our workforce in India for contributing ₹4 Crores for the battle against COVID-19. It is because of the solidarity demonstrated by this workforce of over 17,000 people that our Foundation could add another ₹ 4 Crores, collectively contributing another ₹ 8 Crores towards COVID-19 relief projects in India. As a responsible corporate, we will continue to stand by the nation in various capacities in this hour of need. On that note, I must also take this opportunity to thank our teams for the following measures:

- Adani Foundation contributed ₹ 5 Crores to the Gujarat CM-Relief Fund and ₹ 1 Crore to the Maharashtra CM Relief Fund;

we have also contributed to Kattupalli District Collector COVID-19 Fund and the Bhadra District Administration.

- The Foundation is also contributing to the CM-Relief Funds of many other states such as Kerala, Jharkhand, and Andhra Pradesh.
- Women cooperatives aided by Adani Saksham produced more than 1.2 Lakh masks to help economically disadvantaged sections of the population.
- Gujarat Adani Institute of Medical Sciences (GAIMS) is the only hospital equipped for handling COVID-19 cases in Kutch, India's largest district.

In times such as this, the spirit and compassion of our people reinstates my belief in our core philosophy of Growth with Goodness. Let all of us contribute to help our nation rise above this crisis. It may take time but there is ample optimism to show that it is possible.

Together, we will stay resilient and hopeful in these testing times.

Regards,

Gautam Adani
Chairman, Adani Group

CEO's Message

Leading with Confidence and Conviction



"At ATL, we remain committed to playing a pivotal role in unlocking India's long-term energy potential and are well positioned to continue delivering value-accretive growth".

Dear Stakeholders,

FY20 was marked by profound changes around the world, posing challenges to life, livelihood and businesses, especially towards middle of the fourth quarter. The differentiated strategy and preparatory drills in respect of business continuity, which we had put in place at ATL to deliver sustainable long-term value to our stakeholders, enabled us to successfully navigate this challenging period. We continue to demonstrate a high level of operational performance, even in the period of lockdowns and cautiousness.

We remain focused on adopting the global best practices, thereby continuously improving our operational efficiencies. Our differentiated growth paradigm leverages our balance sheet strength and our ability to make prudent capital allocation decisions. At ATL, we remain committed to playing a pivotal role in unlocking India's long-term energy potential and are well positioned to continue delivering value-accretive growth.

Robust Underlying Strength

The increasing demand for electricity, along with the government push towards the development of smart grid networks, bodes well for the electricity

industry. In addition, a significant rise in investments toward cross-border grid network, coupled with the growing integration of renewable energy with the grid network, is stimulating the business environment. The expansion of the existing grid infrastructure, along with customer inclination towards integrating Artificial Intelligence (AI) systems, is likely to further propel the transmission and distribution industry.

On the transmission side, we have a solid pipeline of projects won through TBCB auctions, which are in different phases of construction. We have engaged with regulators and vendors to adjust our plans and complete the projects as per

UNDERPINNING ATL'S STRATEGY IS OUR STRONG COMMITMENT TO SUSTAINABILITY AND ESG PERFORMANCE.

25%

MARKET SHARE TO BE MAINTAINED IN THE PRIVATE TRANSMISSION MARKET

contractual commitments. On the distribution side, we are proactively working with our customers to offer reliable and affordable electricity supply.

We have been agile in adapting to any changes in the business environment. As power consumption remained low due to nationwide lockdown imposed in March 2020, we increased procurement from the power exchange at attractive prices to maintain profitability. Our digital platforms ensured business continuity without any hindrance to our customers as well as employees.

During FY20, we received six letters of awards to build, operate and maintain transmission in Gujarat, Rajasthan and Maharashtra. The Company is poised to complete these projects in a value-accretive, time-bound manner. In addition, ATL implemented Integrated Management Systems (IMS) across its entire establishment and functions to ensure quality adherence during business management, prospecting, fulfilment, and O&M cycle, with minimal impact on the community and the environment.

Creating Shared Value

Underpinning ATL's strategy is our strong commitment to sustainability and ESG performance. ESG has been integral to how we pursue our objectives to create value.

Our governance framework underscores how we drive performance and goes much beyond doing things right — to doing the right things. Integrity is embedded in our corporate culture, facilitating ethical decision making, building trust among stakeholders and, in turn, providing stability to the business.

Sharpening Competence

We support our people to reach their full potential by combining the best of local learning with a wide-reaching network. We recruit from a diverse talent pool and continuously engage with them to improve their efficiency, which is vital for improving operating performance, reducing costs and risks, and successfully transitioning to a low-carbon future.

Health and safety of our people is paramount. In FY20, we continued on our journey to establish a culture of safety excellence – directed by strong leadership and driven by the commitment of our people to putting the safety of self as well as others first.

Way Forward

With the Indian government putting significant emphasis on renewables, especially solar, and ensuring last-mile connectivity by schemes such as '24X7 Power for All' and the Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya

scheme), transmission lines catering to the green corridor and system strengthening offer a new set of opportunities.

We aspire to be the largest private Transmission and Distribution (T&D) company based out of India, contributing to nation building by transmitting and distributing affordable power using operational excellence and technology-led innovation. Our top priorities include:

- Maintaining 25% market share in the private transmission market by growing through organic as well as inorganic routes
- Augmenting efficiencies in the distribution business and enhancing customer delight
- Focusing on sustainable operations through business excellence
- Driving process innovation and new business models through technology adoption

I would like to thank our investors for their loyalty and support to the Company, and my fellow Board members and the entire ATL team for their dedication and commitment to building a reliable, responsible and sustainable network and consumer services management institution.

Regards,

Anil Sardana
MD & CEO

CFO's Message

Delivering Value-accretive Growth



"Over the past few years, ATL has evolved from a high-growth developing company to a mature asset operator with healthy free cash generation and limited greenfield risk".

Dear Stakeholders,

We, at ATL, are committed to shaping a common future through environmental stewardship, social responsibility and business performance. I am delighted to present to you our sustainability priorities and performance for FY20. ATL's commitment towards the economic, social and environmental aspects of its business lends credence to its vision of achieving leadership in the transmission sector. The way we report our performance not only reflects on where we stand today, but also outlines the steps we need to take towards a shared future of sustainable growth.

As strategy, we have a robust capital management programme targeted

at reducing interest costs, extending maturities and optimising our capital structure, resulting in the highest growth adjusted ROCE among global peers. During the year, the Company has raised a total of \$ 2.3 Billion from the international debt market and \$ 452 Million by way of strategic sale to QIA - sovereign wealth fund of the State of Qatar.

As a part of a fund raising programme, we concluded our maiden US Private Placement (USPP) of \$ 400 Million 30-year paper, the first of its kind in the transmission space. We are also the first Indian company in over a decade to carry out such a transaction. In light of the current market environment, the successful conclusion of the USPP underscores

the strength of ATL's assets. The underlying assets are rated BBB, a notch higher than the sovereign rating by Fitch, subject to the issue rating being capped eventually at the sovereign rating of BBB- and rated Baa2 by Moody's.

We also completed the first ever US Dollar bond issuance of \$ 1 Billion by a private integrated utility (AEML) from India in February 2020. This was the largest single tranche issuance by an Adani Group Company with an over-subscription of 5.9x. Capex plans drawn up at AEML Mumbai GTD business, and rolling capex facility of \$ 400 Million has been tied-up. ATL also raised \$ 500 Billion amortising over 16.5 years in the second tranche to eliminate short-term refinancing risk.

With this, ATL has 10-year, 17-year and 30-year papers in the international market. Surplus cash flow generation through elongated repayment profile will be used to fund future sustainable growth.

Operational EBITDA during FY20 stood at ₹ 4,287 Crores, as compared with ₹ 2,857 Crores in FY19, grown up by 50%. Our ROE was optimised through efficient financing and sustained investment grade international credit rating and AA+ domestic rating. With strong revenue growth and consistent EBITDA margin of 92% on the transmission side, we continue to generate healthy free cash flows from operations. We maintained our strong track record of executing projects before time and within budget.

Our strategy is to cater to the growing demand for power by expanding network, especially in the power-deficit regions of the country. Through efficient development, operations and capital management, we are able to generate high returns on equity and capital recycling, which allows us to have a fully funded organic and inorganic growth plan, keeping in mind the targeted leverage threshold.

We have completely de-risked the distribution business, establishing our commitment to global standards of governance by bringing in the QIA as a strategic partner.

In our distribution system, we are investing heavily to strengthen the existing infrastructure and improve operations through technology interventions. This will enable the distribution network to withstand extreme events and further improve reliability.

Process Efficiencies

A dedicated teams of experts continuously monitors (24x7) the O&M of our transmission system (transmission lines and substations) to ensure upkeep of our transmission assets. In addition, we have a specialised diagnostic cell comprising Subject Matter Experts (SMEs) to focus on the root cause, corrective and preventive actions for any abnormalities in our system. Strong

in-house processes on inventory management, equipment procurement and vendor management allow us to mitigate any shortage and cost escalations. This has helped to achieve transmission availability at 99.76% in FY20.

In the distribution business, our operating philosophy is hardening of assets by ensuring the highest quality of supply underpinned by three pillars i.e., Sustainability, Reliability and Affordability. AEML is one of the first utilities in India to have the most advanced Supervisory Control and Data Acquisition (SCADA) technology, which enables the system to deliver a seamless integrated platform with Geographical Information System (GIS) for providing consumers with enhanced and superior service standards. This has been reflected in distribution loss, which has been reduced to 7.37%* in FY20

Strong Governance

ATL's environmental agenda aims to maximise resource efficiency and mitigate the negative impact of our operations on the ecosystem. We are embracing the transition to a low-carbon economy and are moving towards our goal of becoming a leader in the transmission and distribution of reliable, clean power. In FY20, AEML executed and Maharashtra Electricity Regulatory Commission (MERC) approved PPA for 700 MW Hybrid RE, which will form ~30% of AEML's gross energy demand by FY22 in line with our commitment to increase the share of renewable power procurement to 50% by FY25.

Our robust operating model, sound governance structure, effective risk management, and ethical and transparent practices provide a sound platform for long-term value creation for our stakeholders. We have a rigorous market scanning and risk review process in place to facilitate prompt corrective actions, if required.

Responsible business practices are key to ATL's long-term success. Not only do they promote operational excellence, but they also reinforce the foundation of trust that's essential for staying an attractive value proposition.

EBITDA MARGIN
TRANSMISSION BUSINESS

92%

EBITDA MARGIN MUMBAI
DISTRIBUTION BUSINESS

24%

PAT

₹ 707
CRORES

One of the management's priorities is to ensure that the Company continues to uphold its Environmental, Social and Governance (ESG) standards and practices. We have appointed an external agency to conduct ESG audit. This ESG audit will evaluate ATL on the basis of environment performance, social performance and governance standards. This audit will consider the sectorial risk and preparedness of ATL.

Going Forward

As we progress into FY21, we will continue to pursue our strategic priorities, focus on our financial commitments, ESG and build on our growth momentum. We thank all our stakeholders, both internal and external, for their continued support and confidence in our vision and initiatives.

I would like to thank the team for their hard work and commitment to deliver on our strategic objectives. With a holistic long-term vision, we aim to be a future-ready corporate, committed to delivering sustainable profitable growth and societal value creation.

Regards,

Kaushal Shah
Chief Financial Officer

* Provisional figure as March sales values are estimated owing to COVID-19 related restrictions

CSO's Message

Inspiring Shared Goals of Sustainability



"Our actions and strategy are rooted in the belief that there is no contradiction between business results, stakeholder impact and sustainability".

Dear Stakeholders,

The rapid changes sweeping the society today are likely to leave an indelible imprint on our life, livelihood and business.

The T&D sector is undergoing a transformation with greater penetration of renewable energy, the advent of smart systems and distributed generation. Rapidly evolving technologies and the global interconnected supply chains mean that organisational ability to deal with Volatility, Uncertainty, Complexity and Ambiguity (VUCA) is a critical competency. Sustainability and long-term value creation have ever-increasing relevance.

This expectation from businesses is not only to drive long-term growth but to create a positive impact for all stakeholders, including safeguarding the environment and addressing societal needs.

At ATL, we are committed to putting our stakeholders at the centre of our decision making through our Stakeholder Relationship Matrix. Our foray into the distribution business has expanded our ecosystem of stakeholders, including millions of customers. We are focused on fostering lasting partnerships with vendors, communities and technology partners, thereby enabling us to create value for all stakeholders in a responsible and efficient manner.

Our materiality analysis shows that customer satisfaction, employee engagement, addressing climate change and supporting our communities are critical to our business. As an important early initiative, we have executed a large formal outreach to our employees, vendors, communities and investors to guide our future decision making. We have also taken various steps to reinforce the culture of sustainability and the stakeholder mindset. During the year, we saw the introduction of a number of key processes that will be critical to long-term value creation – enterprise risk management, business excellence and a safety culture.

SAFETY TRAINING AWARENESS SESSION

57,236

man-hours

Our actions and strategy are rooted in the belief that there is no contradiction between business results, stakeholder impact and sustainability. Building customer trust, enhancing vendor relations, improving the service quality, managing costs more efficiently, generating new revenue streams, and attracting talent are not just responsible actions, but they also maximise business value.

Creating Value Responsibly

We continued on our journey to becoming a world-class integrated electric utility. By capitalising on organic and inorganic growth opportunities, the Company has generated significant financial value for investors. We have a robust pipeline of transmission projects and our operational projects continue to deliver benchmark performance. Our enterprise risk management process and business continuity plans have been activated in the light of the COVID-19 crisis, ensuring the supply of power and availability of critical infrastructure during the crisis.

Pursuing 'Environmental Stewardship' Status

Addressing climate change is a common agenda for businesses, government and citizens alike. But even before it became a global goal, we had instituted the 'Avoid, Minimise, Restore' plan in all our project dealings.

We are pursuing aggressive adoption of green and renewable power. We

PLACEMENT THROUGH SKILL DEVELOPMENT

93.2%

expect 50% procurement from RE sources by FY25, a 15x+ increase. For transmission projects, we continue to adopt our "Avoid, Minimise, Restore" plan for all projects. We focus on avoiding all ecologically sensitive zones transmission line route, minimising impact on biodiversity by reducing our energy use and restoring habitat by continuously monitoring the impact. We formulated our IMS policy as a means to achieve carbon reductions by employing environment-friendly technologies and expertise, obtained through our strong relationships with sector experts, partners and customers. Implications of climate change on our asset resilience has also been addressed through this policy. We are working with our partners to design and build towers that can sustain extreme weather conditions without impacting the availability and reliability of our network.

Enhancing Social Abilities

By combining the strength of our profitability with the impact of our contributions to the society—we strengthen the trust of our customers, community and employees, ensuring that there is always value in what we do.

We continue to deepen our engagement with our local communities by providing vital services through our local activities. Further, we are consolidating our efforts and resources in three additional areas, aligned with our priority SDGs, where we are

committed to creating deep impact. The areas include education and awareness, skill building for women and providing economic opportunities for destitute women.

To create economic opportunity for all, we aim to not only compensate our employees with the most competitive salaries, but also help people enter the workforce and build the skills needed to advance in their careers. We are planning to build a skilling centre especially for the women in Mumbai. The centre will focus primarily on destitute women. When it comes to human rights, we aim to work with our vendors to improve labour conditions and prevent safety incidents.

ATL supports its initiatives with a high degree of transparency in information disclosure and communication. The entire Company will continue working together with the shared purpose of sustainable value creation.

We welcome your feedback and support, which will keep us on track towards long-term environmental, social and economic sustainability. We look forward to receiving your feedback to help us improve further. You may write to us as at cso.transmission@adani.com.

Regards,

Vishal Chandrakant Shah
Chief Sustainability Officer

Stakeholder Engagement

Forging Long-term Relationships with Stakeholders

Our stakeholders are key supporters to our work: their knowledge and expectations are the basis of our commitment to build lasting relationships. The direct involvement of our stakeholders in each phase of the Company's activities relationships of trust, solid and transparent, which are promoters of shared development processes.

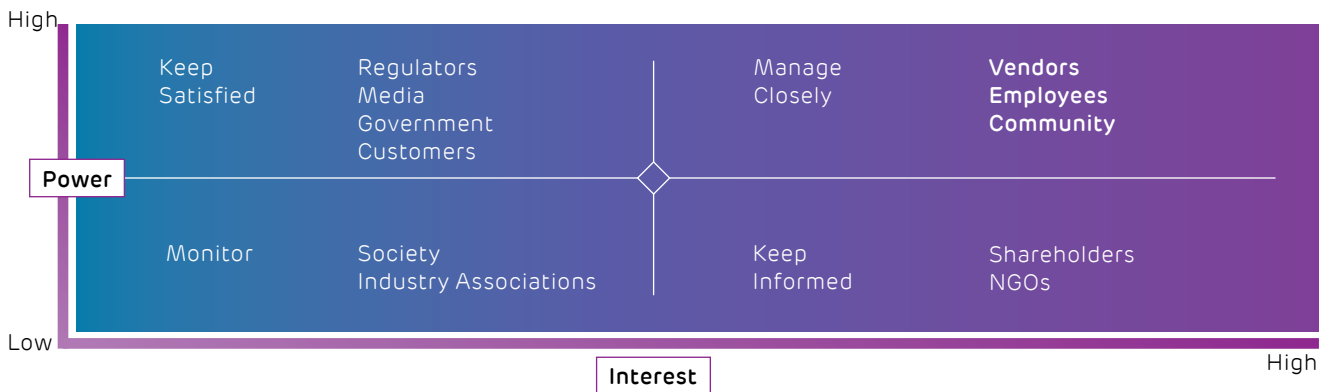
We have identified our stakeholders as those persons, groups or organisations who are directly impacted by our activities, as well as those persons, groups or organisations who can reasonably be foreseen to be impacted by our activities.

ATL deploys a Stakeholder Relationship Matrix to support the management of its complex network of relationships, monitoring the expectations and results of engagement activities. This matrix allows for regular monitoring of our key relationship networks, with the possibility of better anticipating and investigating the potential impacts of business on stakeholder groups, thus enabling a more conscious management of operational realities.

In FY20, ATL skilled 225 team members on sustainability through 15 programmes. The process was followed by consultations with 15

site teams to understand the local concerns, risks and material issues.

In addition, ATL engaged with four stakeholder groups – employees, investors, vendors and community, which are most critical to its business operations. The key stakeholders were mapped based on their level of criticality to the organisation and their power to influence decision making. Besides alternative platforms of engagement and gathering information through town hall meetings, vendor meets and annual appraisal process, among others, ATL conducted a stakeholder engagement process specifically for the purpose of evaluating the positive and negative impacts of the business.



Understanding Stakeholder Expectations

Stakeholder groups were engaged using methodologies best suited to derive maximum output. For instance, customised online questionnaires with due weightage to anonymity were used to gather inputs from employees and vendors. Members of communities with probable

impact from projects were engaged through focused group discussions. Feedback report received from the investors was also considered.

The responses gathered through the various modes were analysed to identify topics that were most disliked or disagreed upon.

A threshold of 15% disagreement was considered to categorise an issue as a concern and a disagreement of 40% or above was mapped as a material topic. An action plan to address these concerns will be devised going forward.



Employees

- Online questionnaire
- ATL: 186 responses received
- AEML: 112 responses received

Vendors

- Online questionnaire
- ATL: 19 responses received
- AEML: 33 responses received

Community

- Focus group discussion
- ATL: 1 programme
- AEML: 6 programmes

Investors

- Feedback report
- ATL and AEML: 1 combined report

Stakeholder Engagement Contd.

Key Stakeholders



Shareholders, Investors, Financial Institutions and Auditors	
Why they are important	As providers of capital, they are key stakeholders in our growth and expansion plans.
Stakeholder expectations	<ul style="list-style-type: none"> Compliance to laws and regulatory requirements Return on investment/dividend Timely interest and debt repayment Social and environment performance Company strategies Corporate governance Timely communication Anti-corruption and ethical behaviour
Frequency of engagement	Quarterly, annual and need-based
Mode of engagement and communication	<ul style="list-style-type: none"> Annual Reports Sustainability Reports Annual General Meetings Communication to stock exchanges Investor meets Quarterly conference calls Rating agency notes Engagement with research analysts for research reports on the Company
Parameters	<ul style="list-style-type: none"> Credit rating Risk management Governance index



Human Resources (Employees and Families)	
Why they are important	Our employees are at the centre of all our operations. Their collaborative skill and expertise are essential for our growth.
Stakeholder expectations	<ul style="list-style-type: none"> Respect and dignity Non-discrimination and fair treatment Talent management, learning and skill development Career planning and growth Work-life balance Work environment Health and safety Fair remuneration, job clarity and job security Grievance redressal Proactive communication Ethical behaviour
Frequency of engagement	Continuous, monthly, half-yearly and need-based
Mode of engagement and communication	<ul style="list-style-type: none"> Performance appraisal Newsletters HR online surveys Emails Town hall / open-house meetings Health, Safety and Environment (HSE) committee meetings and safety alerts Apex meetings Policy communication Portal/intranet Family get-togethers Co-created HR policy HR Connect Open-door policy Online survey
Parameters	<ul style="list-style-type: none"> Attrition rate



Customers	
Why they are important	Customers are key stakeholders as they are the direct users of our services. Customer feedback, or call it, the Voice of Customer, as we call it, is key to maintaining brand reputation and steady cash flows.
Stakeholder expectations	<ul style="list-style-type: none"> Conformity to contractual conditions, SLAs and availability Compliance to regulatory requirements Grievance redressal Anti-corruption and ethical behaviour System availability Uninterrupted power supply Safe product
Frequency of engagement	Continuous and need-based
Mode of engagement and communication	<ul style="list-style-type: none"> Emails In-person meetings/letters Telephone calls Progress and performance reports Feedback call from the CEO's office 24X7 call centre Chatbot
Parameters	Customer Satisfaction Index

Key Stakeholders

	Why they are important	Governments, Local Administration and Statutory and Regulatory Authorities Key for ensuring compliance, interpretation of regulations and key to uninterrupted operations.	
	Stakeholder expectations	<ul style="list-style-type: none"> Compliance and taxes Timely responses to queries Anti-corruption 	<ul style="list-style-type: none"> Disaster and relief management System reliability CSR
	Frequency of engagement	Need-based and continuous	
	Mode of engagement and communication	<ul style="list-style-type: none"> Emails In-person meetings/letters Telephone calls Progress and performance reports 	<ul style="list-style-type: none"> Petitions Accident incident reports Returns under applicable laws
	Parameters	<ul style="list-style-type: none"> Aggregate Technical and Commercial (AT&C) losses Scope 1 + 2 emissions Average availability of operational transmission assets 	<ul style="list-style-type: none"> Share of renewable in total power procured No. of meetings/seminars attended by the leadership team annually
	Why they are important	Engineering, Procurement and Construction (EPC) and Supply Chain Partners Our operations are closely linked with the timely availability of supplies, quality of raw materials and services that we source. These, in turn, have a material impact on the efficiency of the production process.	
	Stakeholder expectations	<ul style="list-style-type: none"> Fairness and transparency in contractual processes Competence development of supply chain partners Security at workplace Timely payment and honouring commitments Long-term association 	<ul style="list-style-type: none"> Clarity in terms and conditions Guidance and co-ordination related to quality, environment, health and safety at site Anti-corruption and ethical behaviour
	Frequency of engagement	Continuous and need-based	
	Mode of engagement and communication	<ul style="list-style-type: none"> Contract/general conditions of contract audits Feedback and evaluation reports Vendors/ partners meet In-person meetings Tool-box talks 	<ul style="list-style-type: none"> HSE meetings Emergency response drills Progress reports Monthly meetings Online survey
	Parameters	<ul style="list-style-type: none"> Safety incidents 	<ul style="list-style-type: none"> Vendor Satisfaction Index
	Why they are important	Local Communities, NGOs and General Public A harmonious relation with the communities where we have our asset is key to our social licence to operate. They are partners in our progress and are crucial to our operations.	
	Stakeholder expectations	<ul style="list-style-type: none"> Social need identification and community welfare Grievance redressal Fair process and evaluation of any losses and compensation 	<ul style="list-style-type: none"> Proactive communication Environmental protection and non-pollution Indigenous rights Emergency response and disaster management
	Frequency of engagement	Continuous and need-based	
	Mode of engagement and communication	<ul style="list-style-type: none"> Community engagement and local community meetings Newspapers and CSR volunteers Hoardings 	<ul style="list-style-type: none"> One-on-one meetings with farmers Gram Panchayat / Gram Sabha Sustainability Reports Focused group discussion
	Parameters	<ul style="list-style-type: none"> No. of NGO partners 	<ul style="list-style-type: none"> Diversity index
	Why they are important	Media Improving the understanding of the industry's positive impact on sustainability and climate change and the drivers for further development.	
	Stakeholder expectations	<ul style="list-style-type: none"> Statutory compliance Community development 	<ul style="list-style-type: none"> Public health and well-being Inclusive growth
	Frequency of engagement	Need-based	
	Mode of engagement and communication	<ul style="list-style-type: none"> Annual Reports Sustainability Reports as per standard practice Annual General Meetings 	<ul style="list-style-type: none"> Communications Information on website Press / media release
	Parameters	<ul style="list-style-type: none"> No. of media interviews 	

Overview

About ATL

Resolute

Robust

Responsible

Statutory Reports

Financial Statements

Materiality

Prioritising Issues that Impact Value Creation

Comprehensive materiality assessments determine the levers that have the highest potential to impact the Company's ability to create value in the long run. ATL's materiality process ensures that the relevant material priorities are identified through rigorous stakeholder engagements and external impact assessments for O&M and projects. Priorities are appraised with the highest decision levels ensuring that the Company's processes, including integrated risk management, strategy planning, stakeholder engagement, operational performance and reporting, are all aligned.

While identifying material topics, it becomes imperative to align them with the Company's ESG risks. This will help integrate potentially longer-term risks into Enterprise Risk Management (ERM) processes, which will lead to better oversight and resource allocation for managing these material topics.

Identification of material topics is not limited to the aforementioned process. ATL incorporates inputs from various key sources, including the global megatrends, ESG rating agencies, externalities and key stakeholders, among others, with the objective of identifying a

comprehensive list of material issues impacting its ability to create value in short, medium and long term.

Due to the dynamic business environment and globalisation, megatrends become extremely important as they impact business both positively and negatively. ATL incorporates megatrends into its materiality assessment process.

Factors Affecting Materiality



Risk and Opportunities



Key Stakeholder Input



Megatrends

The following megatrends are identified:

- Transition to clean energy
- Regulation
- Climate change
- Digitisation
- Changing consumer preferences
- Business model transition



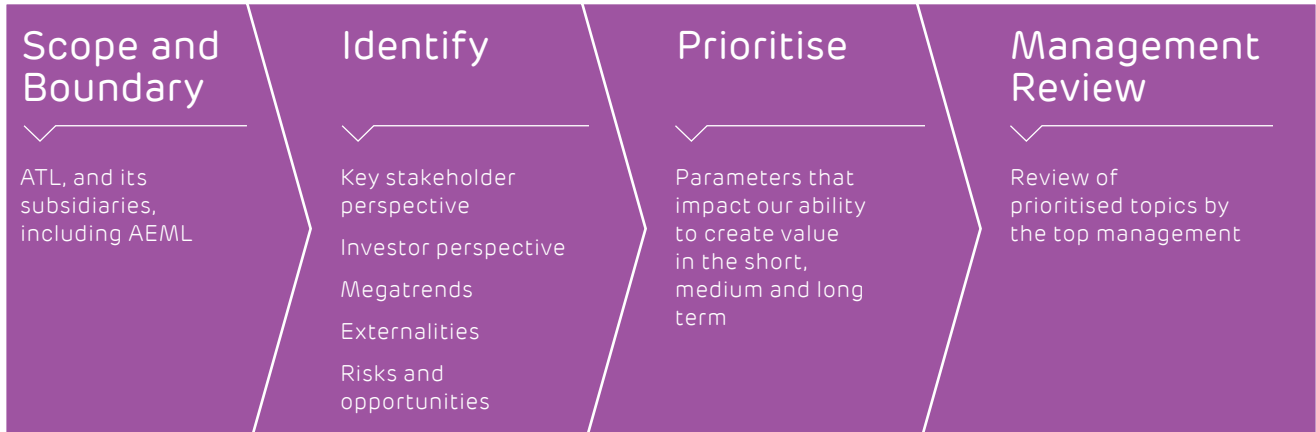
Externalities



ESG Rating Agency

Process

ATL conducted a thorough analysis of the ESG topics that may have a reasonable financial impact on the business by limiting our ability to create value in the short, medium and long term. The resultant analysis factored in stakeholder priorities, including that of investors – ESG risks and opportunities, megatrends and externalities.

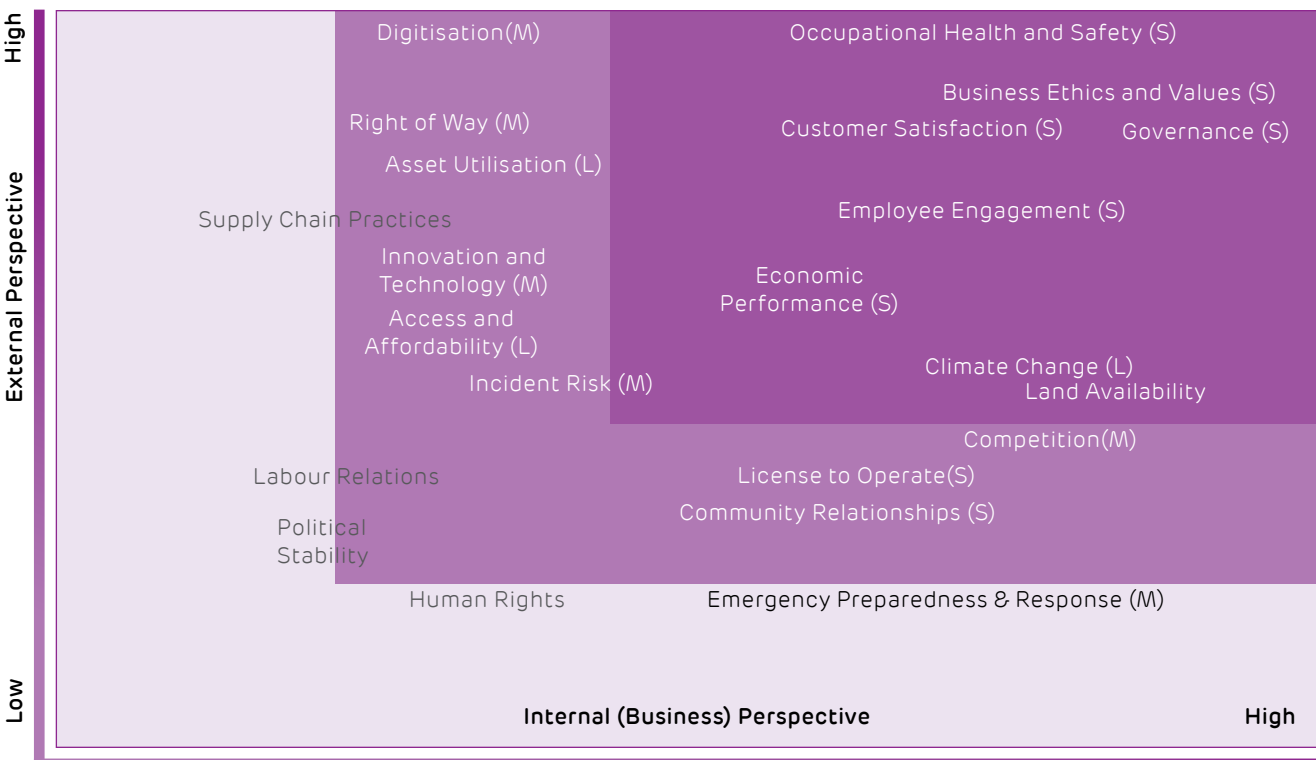


Materiality Map

The topics are rated on a scale of low to high based on business importance and external perspective. The topics that are most material to the business are highlighted in the right corner of the scale. The topics of medium

importance are placed in the middle section and those of low concerns are in the left corner. The topics are also mapped against their impacts in the short, medium and long term, denoted as S, M, and L, respectively.

Most of the topics could be evaluated based on a time frame. However, there are some topics, such as business ethics, that do not have a timeframe and may impact the business, regardless.






Content marked in grey font are material topics that do not have a time frame and are carried out on a continuous basis

Materiality Contd.

ATL Key Material Topics Capital-wise






Capitals	Key Material Topics Impacting Capitals
 Financial capital	Economic Performance, Governance, Emergency Preparedness and Response, and Competition
 Manufactured capital	Asset Utilisation, Right of Way, and Land Availability
 Human capital	Occupational Health and Safety, Employee Engagement, Labour Relations, Human Rights and Incident Risk
 Intellectual capital	Digitalisation and Innovation and Technology
 Social and relationship capital	Business Ethics and Values, Supply Chain Practices, Access and Affordability, License to Operate, Community Relationships, Political Stability and Customer Satisfaction
 Natural capital	Climate Change




Roadmap

ESG	Parameters	Target by September 2021
 <p>Environmental</p>	<ul style="list-style-type: none"> • Technological advancement for minimal downtime during maintenance, leading to better availability and increased EBITDA • Rooftop solar installation at substations for auxiliary power consumption • Renewable power procurement at below APPC – tariff reduction for 3 Million+ Mumbai customers • Reduction in pollution due to fly ash utilisation 	<ul style="list-style-type: none"> • Rooftop solar installation at all operating and under-construction substations • 12x growth in renewable power procurement (from 3% of total power mix to 30%) at Mumbai retail distribution business
 <p>Social</p>	<ul style="list-style-type: none"> • Better vendor management – development of local workforce to meet industry best benign practices • ~100% supply reliability for 3 Million+ Mumbai customers – customers shifting to ATL's distribution business • 24X7 customer care availability – better responsiveness, lesser consumer attrition and stable cash flows 	<ul style="list-style-type: none"> • Strong focus on social upliftment and safety through various community programmes and safety initiatives • 'Quality of life' impertive being pursued through capacity building social initiative with poor communities • Skill development programmes for women being administered
 <p>Governance</p>	<ul style="list-style-type: none"> • Board independence • Related Party Transactions (RPT) as per covenanted structure <p>All the above factors led to the highest international rating in the transmission sector in India – leading to cost savings and access to a larger pool of capital</p>	<ul style="list-style-type: none"> • Independent Directors at all subsidiaries, Board and committees • RPT policy applicable to all subsidiaries

Strategic Priorities

Framework for Delivering on Objectives

Strategic Focus Areas	Key Objectives	Capitals Impacted	Outlook
<p>1</p> <p>Safety culture</p>	<ul style="list-style-type: none"> • Safety is an area for continuous improvement and has a strategic objective of zero fatalities • Raise safety awareness with safety champions • Committed to minimising health and safety risks • Administering learning modules for various activities 		<ul style="list-style-type: none"> • Mandated sub-contractors to meet its safety requirements and is developing technology options to monitor compliance • Prepare and implement safety improvement plan • Taking leadership positions through safety culture
<p>2</p> <p>ESG integration</p>	<ul style="list-style-type: none"> • Development of a highly skilled women workforce • Conduct business according to the highest ethical and regulatory standards • Ensure long-term business sustainability • Improve quality of life through capacity building and counseling. 	 	<ul style="list-style-type: none"> • Focus on power procurement from renewable energy sources • Strong focus on social empowerment and safety through various community programmes • Ensure climate awareness, readiness and realignment
<p>3</p> <p>Efficient capital allocation and execution capabilities</p>	<p>Leveraging on strong project execution and project management expertise, and infrastructure</p>	 	<ul style="list-style-type: none"> • Complete existing projects on time, cost and quality with safe working • Pursue new growth opportunities in a disciplined manner, focusing on returns and long-term sustainable value creation

Strategic Focus Areas	Key Objectives	Capitals Impacted	Outlook
<p>4</p> <p>Portfolio of efficient operating assets</p>	<p>Be among the best-run power T&D assets across the Indian power sector</p>		<ul style="list-style-type: none"> • Maintain high availability through efficient O&M and operational excellence • Strong growth potential through TBCB transmission projects • Acquisition, new license, franchise and PPP opportunities in the T&D space
<p>5</p> <p>Robust financial profile</p>	<p>Maintain healthy margins and return ratios</p>		<ul style="list-style-type: none"> • Continued improvement in performance of the Mumbai distribution business to enhance profitability • Maintain a strong financial profile and pursue value-accretive growth in the Mumbai business as well as new transmission opportunities • Sufficient cash balance and working capital lines tied-up
<p>6</p> <p>Business excellence</p>	<p>Create a vision for the future and a sustained continuous improvement model</p>		<ul style="list-style-type: none"> • Establish trigger mechanisms for emerging risks • Benchmark in-process and outcome parameter to global standards and pursue meeting or beating them.



ROBUST

Key Statistics

NEW TRANSMISSION LINES BROUGHT INTO OPERATION

227 CKT KM

ENERGY WHEELED

10,327 MUs

Over the years, we have maintained a stable performance trajectory, building on our experience and expertise in executing and fine-tuning our approach. The result is a growing edifice of value creation with multiple synergies. We have the right pivots to grow, capitalising on the Indian electricity industry's vast opportunity landscape with prudence and foresight. In the process, we are building a future-ready organisation capable of navigating the vagaries of the economy and industry.

- [36] Operating Environment
- [38] Business Model
- [40] Financial Highlights
- [42] Investment Case
- [44] Processes and Quality

Operating Environment

Adapting to Market Dynamics

With India being a rapidly developing nation, demand for electricity to support economic growth is constantly on the rise, creating significant opportunities in the transmission sector to support the growing load and provide connectivity. Increasing investments for establishing a viable electricity network, combined with favourable regulations to integrate electricity generated from renewable sources into consumptive centres, is fast expanding the scope and scale of the market.



Increased focus on energy efficiency

Energy efficiency is key to ensuring a safe, reliable, affordable and sustainable energy system. It is also the most cost-effective way of addressing energy security, environmental and economic challenges. The National Mission for Enhanced Energy Efficiency (NMEEE) thus aims to improve energy efficiency in the Indian market by creating a conducive regulatory and policy regime and fostering innovative and sustainable business models. Further, Industry 4.0, coupled with voluntary commitments from the private sector on platforms such as the Science-Based Targets Initiative, (SBTi) will drive the agenda, along with regulatory frameworks such as Perform, Achieve and Trade (PAT).



Combating climate change for a sustainable future

Climate change is one of the most pressing issues of our time. Through efficiency gains and a robust energy mix, the global power system is being seen as an important driver for transitioning to a low-carbon economy. Governments worldwide are considering various regulatory and market-based mechanisms to lower Greenhouse Gas (GHG) emissions, prompting businesses to amplify their efforts towards reducing carbon emissions and improving energy efficiency. Further, consumers, governments and other stakeholders expect businesses to operate responsibly and transparently, requiring higher due diligence and concerted actions along the value chain.



Growing demand for efficient transmission systems

Given the ever-increasing demand for electricity, India is undertaking the expansion and renovation of its T&D networks, boosting demand for transmission systems. Funding under the Integrated Power Development Scheme (IPDS) scheme is helping state distribution utilities (Discoms) reduce losses. Further, state Discoms are being incentivised based on their reduction in T&D losses. This will foster demand for privatisation of state Discoms, backed by performance track record in loss reduction and efficient network operations by private Discoms.



Technological progress making the grid smarter

Digital technologies such as robotics, AI, and Virtual Reality (VR) are increasingly reshaping the power industry. These tools are boosting productivity and efficiency, and enabling new ways of engaging with consumers. Digital tools also enhance operation throughout the electricity value network in terms of grid reliability and security, and reduce costs to generate, transmit and deliver electricity. With an increasing amount of data coming out of electricity meters, utilities are focusing on data analytics for load projections, generation planning and managing peaks. In addition, consumer data is also being analysed for improved and targeted customer services.

ATL is well positioned to seize opportunities

ATL's capabilities position it well to leverage opportunities across the T&D business. ATL's focus has been on expanding the grid network and investing in technological advancements to supply electricity especially to the power-deficit regions of the country. The current portfolio positions us as India's largest private sector transmission company, strengthening our commitment to transmitting incremental power from generating services and contributing to India's climate goals. With the government's core focus towards the objective of 24x7 Power for All, ATL, with its widespread network and continuous growth, looks forward to becoming a world-class electric utility.

Business Model

Our Value Creation Paradigm



Growth Enablers

ATL's business model is focused on creating long-term value for both the Company and its stakeholders, by achieving its targets on profitability and growth, efficiency, operational excellence, and prevention of business risks.

External Environment

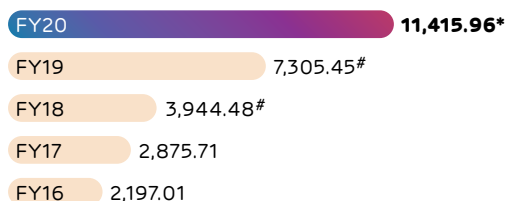
	Outputs	Outcomes
 <p>Distribution 3 Million+ customers</p>   <p>Business Activities</p> <ul style="list-style-type: none"> • AGILE • Synergy • DISHA 	<p>For providers of financial capital</p> <p>We deliver consistent, profitable and responsible growth.</p>	 <ul style="list-style-type: none"> • Revenue from operation – ₹ 11,416 Crores (y-o-y growth 56%) • PAT- ₹ 707 Crores (y-o-y growth 26%) • RoCE – 12.94%
	<p>For customers</p> <p>We provide reliable power supply & customized solution for affordable power to high value consumers. We also closely engage with our customers for addressing queries, provide support & gain feedback for continuous improvement</p>	 <ul style="list-style-type: none"> • New transmission lines added – 227 ckt km • Thermal power generation – 3,347.42 MUs • Power distribution – 8,455 MUs sold • Generation through solar power – 2.73 MUs
	<p>For suppliers</p> <p>We ensure an optimum supply chain with competent suppliers for seamless operations. We also engage and collaborate with our suppliers closely for knowledge enhancement, process improvements and product applications.</p>	 <ul style="list-style-type: none"> • New systems and processes implemented • Robust process of safety management, training and awareness
	<p>For our people</p> <p>We strive to provide equal opportunities to all our employees, and ensure capacity building, training and a safe work environment.</p>	 <ul style="list-style-type: none"> • Diversity of workforce • 98,001 training man-hours including behavioural and technical training • 43 LTI and 1 fatality
	<p>For communities around us</p> <p>We contribute towards improving the living conditions of the communities around us through our CSR activities and at the same time ensure that our production processes do not have any adverse impact on the environment around us.</p>	 <ul style="list-style-type: none"> • Vendor base created • No community grievances or infringement of indigenous community rights reported

Performance Highlights

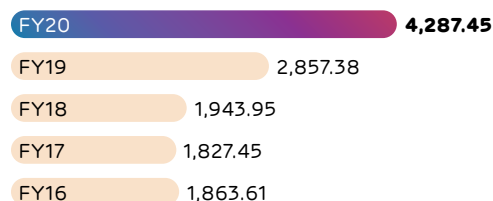
A Track Record of Stability and Profitability

Profit and Loss Metrics

Revenue from Operations (₹ in Crores)

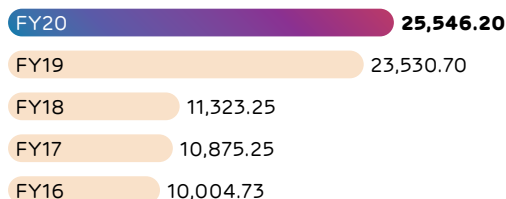


Operational EBITDA (₹ in Crores)

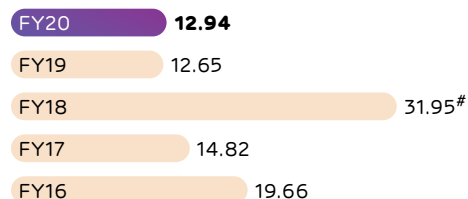


Balance Sheet Metrics

Net Fixed Assets (₹ in Crores)

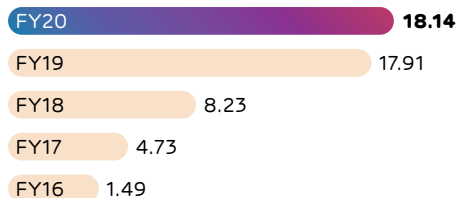


Return on Net Worth (RONW) (%)



Social Metrics

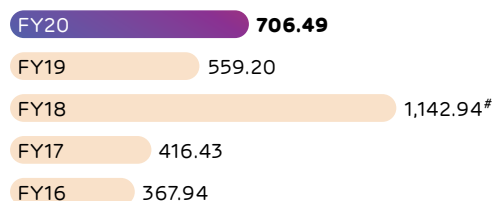
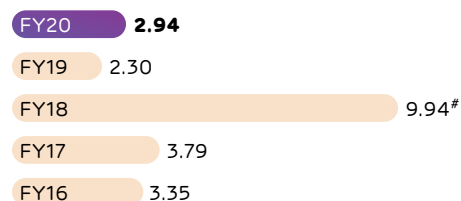
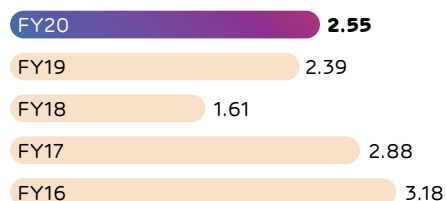
CSR Spend (₹ in Crores)



*FY20 includes one-time income of ₹ 254.43 Crores recognised during the year based on MERC order received.

#FY19 includes revenue reversal of ₹ 89.57 crore during the year based on MERC order received related to the earlier year.

#FY18 includes one-time income of ₹ 872.53 Crores recognised during the year based on Central Electricity Regulatory Commission (CERC) order received related to the earlier year.

Profit After Tax (₹ in Crores)**Earnings Per Share (Basic) (₹)****Debt-to-equity Ratio**

[#]FY18 includes onetime income of ₹ 872.53 Crores recognised during the year based on CERC order received related to the earlier year.

Direct Economic Value Generated and Distributed (₹ in Crores)

Particulars	FY20	FY19
Total revenue (A)	11,448.52	7,656.64
Income from the GTD business	10,491.35	6,463.07
Other income	265.33	255.35
Revenue from trading	924.61	842.38
Regulatory deferral account balances – Income	(232.77)	95.84
Total distribution (B)	9,568.01	6,215.29
Operating costs	5,927.15	3,925.83
Employee wages and benefits	973.24	586.92
Payment to providers of capital (interest and dividend)	2,238.49	1,391.03
Payment to government	410.99	293.60
Community investments (CSR)	18.14	17.91
Economic value retained (A-B)	1,880.51	1,441.35

Investment Case

Positioned for Success

We have completed assets with minimal ongoing maintenance requirements and average licensing period of 25 years, with an option to renew in blocks of 10 years.

1

Leverages balance sheet strength and stable cash flows to fund growth

ATL's robust financials, with net cash flow of ₹ 1,045 Crores from operations, play a key role in tapping value-accretive growth opportunities. Further, ATL is constantly looking out for refinancing opportunities towards elongated maturity profile and low-cost funding. It is the only private sector T&D company in India to have an investment grade rating from S&P, Moody's and Fitch. ATL's regulated asset base of ₹ 300 Billion / \$ 4.3 Billion ensures floor returns; 52% of the total transmission portfolio EBITDA is being generated from high-quality sovereign equivalent counter-parties.

ATL is the only private sector T&D company in India with IG rating.

2

Has a proven track record in delivering operational excellence

The ATL engineering team has diverse capabilities in design, construction, project management, procurement and quality assurance. The team ensures successful execution of projects and reliable ongoing operations with high availability, leading to financial success. Given its extensive experience in handling complex EPC services, ATL has strengthened competencies across markets, regions and customers; generated higher investment returns and reaffirmed stakeholders' trust.

We reported high network availability of over 99.76% across our transmission assets, which corresponds to the best global standards.

3

Has robust project execution capabilities

ATL relies on value engineering concepts, driving ideas, executing them and bringing efficiency into the system. We have completed assets with minimal ongoing maintenance requirements and average licensing period of 25 years, with an option to renew in blocks of 10 years. We have exceptional strength in development of projects at scale and within time and budget, as can be gauged from the projects commissioned by us till date. Most of the projects have been commissioned well ahead of scheduled time and within the estimated cost.

ATL has commissioned most of its projects ahead of schedule and well within budget.

4

Adopts and innovates best available technologies to meet global performance benchmarks

For civil structural design, our engineering team is capable of designing tower and substation structures with the latest widely accepted tools such as PLS Tower and STAAD-Pro. For 3D modelling of transmission towers, we use the BOCAD software. We evaluate our designs through robust testing processes.

By adopting technologies and innovating based on requirement, we strive to lead by example in the industry.

5

ESG focus ensures reliability and sustainability

ATL has embedded the ESG framework into its business activities. This is closely aligned with our Growth with Goodness philosophy. Our approach to ESG is benchmarked against global utilities in accordance with our goal of being the industry leader through example. Our ESG outlook considers the two-way relationship our business maintains with our ecosystem and stakeholders, including customers, communities, employees, suppliers and so on. Salient activities include emphasis on safety in the workplace and beyond, and commitment to increase our renewable footprint, thereby ensuring the reliability and sustainability of its services. Through our robust governance process, we proactively reviews our risk management and governance practices.

Our integrated ESG framework has resulted in access to a larger pool of capital at reduced cost.

Processes and Quality

Upgrading with Tomorrow in Mind



Quality is one of the basic business principles for sustainable business and customer satisfaction. ATL has successfully integrated appropriate global quality standards at each phase of the lifecycle – design and engineering, vendor/material selection, manufacturing integrity, construction integrity, operation and maintenance integrity and continuous upgradation of personal skills. Our quality assurance is managed by a team of professionals with diverse global work experience. The team focuses on continuous processes improvements, problem solving and total quality management tools and techniques.

ATL has implemented Integrated Management System (IMS) across the business to minimise business impact on the community and environment. We are certified with five ISO standards (ISO 9001:2015

for Quality Management System, 14001:2015 for Environmental Management System, 45001:2018 for Occupational Health and Safety, 50001:2018 for Energy Management System and 55001:2014 for Asset Management System). We are also pursuing certifications for ISO 27001, ISO 22301, ISO 27031, ISO 26000 and SA 8000, which will be implemented in FY21 and will further boost our resilience business continuity, risk management and social responsibility practices.

The quality team at ATL determines the procedures or modifies the existing procedures to deliver the desired results, such as enlisting dedicated vendors through vendor assessment, implementing standard manufacturing quality plan for ensuring equipment and material

quality, and field quality plans for ensuring construction quality.

To ensure effective implementation of field quality plans and the quality of construction works for transmission lines and substations, ATL has engaged a third-party inspection agency. Such quality reports, and compliances of Standard Operating Procedures (SOPs), SQP and SFQP are periodically reviewed and updated.

ATL Technology Group

The global business scenario is passing through turbulent times facing challenges from multiple agents and sources such as climate change, ecological disturbances, pandemics, disruptive business models, swift technological obsolescence, increasing stakeholder activism and regulatory

constraints. Yet, to remain competitive amid such dynamics, the business must ensure stakeholders' gratification by delivering products and services with high quality at competitive pricing.

The success of the firm to emerge from such volatile, uncertain, complex environment entrenched in ambiguity (VUCA), delicately hinges on its ability to leverage technology to neutralise the threats and challenges posed by the multiple agents. More importantly, it hinges on the, the agility with which the firm makes the orbital shift, thereby staying ahead.

ATL's leadership team, with its foresight, has designed and built in the organisational DNA the foundational capabilities to counter these 'VUCA forces'. Thus, the Company leaves no stone unturned in meeting stakeholders' expectations, by institutionalising within the organisation two key ingredients of innovation and agility under ATL Technology, Research, Innovation, Management (TRIM) platform.

TRIM – Technology, Research, Innovation, Management

The TRIM platform has been created to incubate and nurture innovation in grid technologies. The objective is to develop high-impact solutions for enabling economic efficiency, and a stable and secure grid. TRIM aims to derive synergistic benefits through strategic collaborations with OEMs, R&D institutions and academia and establish itself as the Global Resource Centre for grid solutions.

Innovation initiatives in ATL are organised within the ATL's TRIM platform, which continually scans the internal and external environment for new developments, likely challenges and potential technologies, and converts them into opportunities for improvement by introducing innovative solutions. The technology function is seamlessly integrated internally with the projects and O&M functions, and externally with the customers, Original Equipment Manufacturers (OEMs), R&D labs and other stakeholders for quickly identifying possible areas of technological interventions that would eliminate any upcoming hurdle in the project or O&M and thus ensure that the expectations of the stakeholders are met.

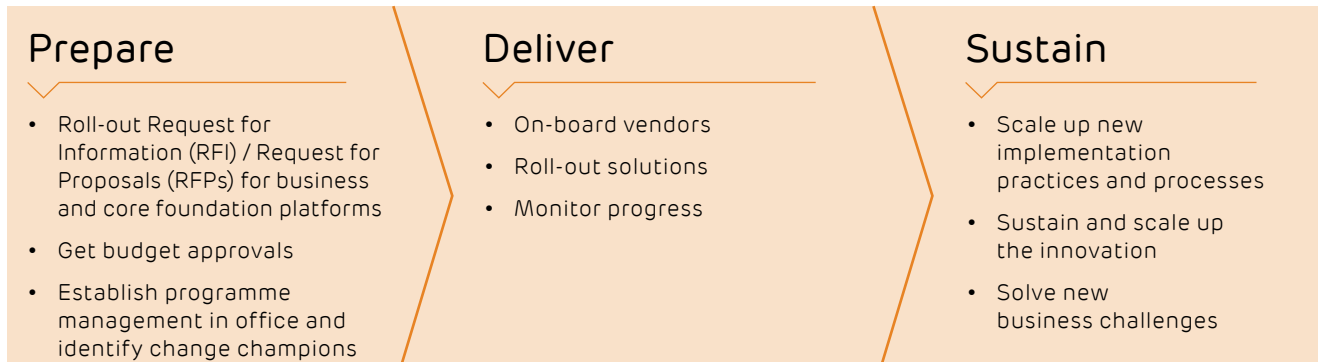
The interventions are carried out under three categories:

- 1 Core business operations technology
- 2 Digital technologies
- 3 Sustainability technologies

At ATL, developing a holistic and technologically advanced infrastructure is the key to success. We deploy technology to drive innovation, remain agile, stay well connected, drive efficiency and align with the present as well as future customer needs.

Objectives of the TRIM Platform

- Increase plant performance and life
- Increase utility
- Decrease cost
- Advance competence in new technologies



Processes and Quality Contd.



Purpose

R&D for future proofing	Automation and integration – agility and efficiencies
Partnerships for resource optimisation	Asset management and cost optimisation
Quality, safety and sustainability by design	



Approach

ATL TRIM as a creator and enabler

Technology function @ATL

- Institutionalised

Sustainability focus through innovative engineering solutions

- Six capitals
- Business
- Environment
- Society

Digital technologies for automation and safety

- Automation
- Optimisation
- Adaptations

Core business technologies – innovating and business integration of global advances in science and technology for staying ahead in competition through

- Quality and efficiencies
- Advanced technologies
- Superconducting
- GIL, GIS, and HVDC

Environmental technologies

- Green aux power
- Plantations
- Water conservation
- Reuse and recycling
- Waste management

Processes and Quality Contd.

Value Proposition

External world scan and interact

- **Business realities**
- **Policies, markets, and geo-economic**
- **Customer needs**
- **New markets and business opportunities**

Serving stakeholders

- **Internal and external**
- **Technology leaders**
- **Customers, investors, society and environment**

Key Initiatives

Asset Health Management (Condition Monitoring)

ATL is moving away from time-based management to condition-based management of equipment health. We have taken up the training of curves for various critical equipment such as transformers/reactors and circuit breakers. We are developing an objective, parameter-based health assessment of equipment. We are also exploring the use of digital tools such as digitised temperature data for real-time monitoring. ATL, supported by OEMs, has undertaken Proof of Concept (PoC) assessment of various new digital equipment and sensors to gauge the health of transformers/reactors and circuit breakers at our Akola substation.

Network Operational Center (NOC)

ATL's business has been expanding rapidly, necessitating the establishment of a central control station / NOC for operations and control. We have designed and commissioned such a system for our Rajasthan assets. We plan to have real-time controlling and

monitoring operations from the NOC at Ahmedabad with a backup at Deedwana. We have tied up with network operators such as POWERTEL to achieve the desired levels of reliability in terms of availability of assets. We will also deploy mobile maintenance crew at strategic locations so that they can be mobilised on a need basis.

Robotic Arm

While substation equipment health monitoring has been much talked about, Capacity Benefit Margin (CBM) of transmission lines has not been explored in depth. We have a large number of transmission towers connected by conductors spanning lakhs of kilometres. Currently, the transmission lines are inspected as per patrolling schedules. We are exploring the use of technology for inspection, such as drones and satellite imagery. We are in discussions with some global utilities to explore robotic inspection of transmission lines and are evaluating ways to implement the technology at ATL.

In addition, we are connecting with premier institutions such as the IIT to explore indigenous design

and development. We are also in talks with various robotic product development agencies. These robots would provide real-time data, including 360-degree imagery, of the conductor while shuttling between one station to the other.

Technical Audit

Failures and occurrences affect asset health, as well as the remaining life of the equipment and components. Periodic technical audits and assessment are thus required to ensure that these systems are performing at their optimal levels and that the changed input/output conditions/ requirements are appropriately addressed to ensure an extended life and a safe operational regime.

Keeping this in mind, we conduct technical audit uniformly across all locations and systems. The audit provides a comparative assessment of health conditions and maturity of O&M practices deployed on the system. It also provides a basis for benchmarking similar systems within ATL as well as in other power utilities in India and abroad.

Building institutional capabilities

- Nurture innovation
- Develop technical capabilities and capacity
- IPR, environment and society

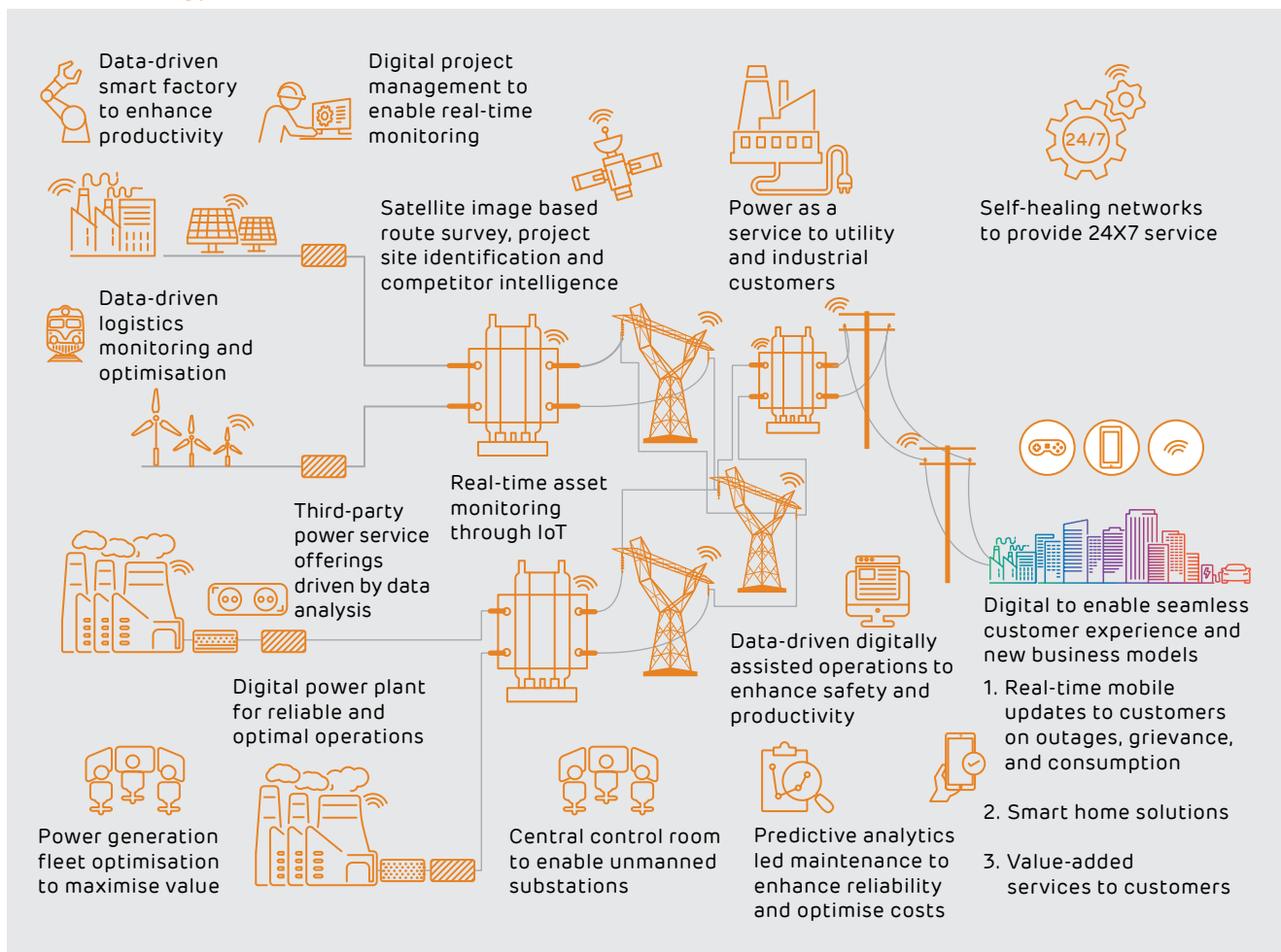
Architecting solutions

- Solutions platform
- Innovate
- Proactive outreach
- Environment focus

Sustaining professionalism

- Collaborate, and network
- Standardise
- Publish and share
- Nurture innovations – start-ups and ventures

T&D Technology Flow





RESPONSIBLE


Key Statistics

CSR EXPENDITURE

₹ 18.14 CRORES

FLY ASH UTILISATION

100%



We operate with the highest ethical standards. As a responsible business, we continuously engage with our stakeholders to meet their expectations while emphasising on environmental stewardship, creating economic value and building social capital. Our people are at the heart of our sustainable future, which is driven by our dynamic leadership and robust governance framework.

[52]	Corporate Governance
[56]	Board of Directors
[58]	Risk Management
[62]	Environment Approach
[74]	People Approach
[80]	Social Approach
[92]	Vendor Management
[94]	Adani Electricity : Integration into the Distribution Sector
[100]	Awards and Recognitions
[101]	Conversion Factors and Assumptions
[102]	Glossary
[103]	Independent Assurance Statement

Corporate Governance

Strong Foundation for a Brighter Future

Corporate governance has always been the cornerstone of ATL's management process. With a decision-making process based on decentralisation, empowerment and meritocracy, we are committed to the business' fundamental objective of maximising shareholder value. The Board is recognised for its unique ability to balance several deliverables, achieve sound corporate governance objectives in a promoter-owned organisation and act as a catalyst in the creation of stakeholder value.

The magnitude of business inspires our Board's composition and we strive to have a balanced mix to ensure robust governance, diligent decision making and strong forecast capabilities. We assess Board diversity against skills and expertise, independence, gender as well as tenure. Our Board selection and re-selection process considers tenure, retirement/resignation and Board evaluations.

Further, strong corporate governance also lays the foundation of a sustainable and commercially viable business. Transparent communication with stakeholders

is an essential tool for better understanding their needs. We are committed to building a corporate governance system on our open dialogue with the market and all stakeholders.

Governance Framework

Corporate governance is about outlining our strategic objectives responsibly and transparently, while being accountable for meeting them. We have put in place a robust governance framework that takes into account the long-term interest of every stakeholder. The framework lays down procedures and mechanisms for enhancing leadership for smooth administration and productive collaboration among employees, the value chain, community, investors, regulators and the government.

Our robust governance framework considers the long-term value creation of the business for every stakeholder. The framework lays down oversight priorities underpinned by principles for execution.

Oversight

The Board delegates responsibility to the executive management team for the day-to-day running of the business and reviews management's performance and effectiveness by overseeing strategy execution, delivery against plan, the control systems, the adequacy of systems, employees and resources.

Decision Making

The Board approves the Company's strategic goals and the associated budgets, key policies, risks, major performance decisions and certain significant actions.



Principles

1. Ethics and Integrity

The Board is committed to the highest standards of ethics and integrity. Directors under the oath commit to abide by the 'Code of Conduct', regulation and policies, while striving to demonstrate the behaviours that are consistent with the Company's values.

2. Responsible Conduct

The Board acknowledges the Company's role in contributing to the growth and development of the societies in which it operates, being accountable for our impact on the environment and society, and evolving as new priorities surface. Compliance with laws and regulations is a critical aspect of our citizenship efforts and we endeavour to supplement our compliance routines by maintaining an attitude of going above and beyond minimum requirements wherever possible.

3. Accountability and Transparency

The Board commits to providing credible and comprehensive financial and non-financial reporting accompanied by a robust feedback mechanism. With respect to stakeholder interests, we will align with the best practice relating to disclosures and follow internal and/or external assurance and governance procedures.

Board Evaluation and Compensation

The Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board's functioning, such as its composition and committees,

experience and its competencies, performance of specific duties and obligations, contribution at the meetings and otherwise, independent judgment, and governance issues, among others.

The breadth of fiduciary responsibility of the Board critically attaches the Board evaluation mechanism to the overall performance of the Company. ATL's Board of Directors are elected during the Annual General Meeting through the voting mechanism.

Board members are evaluated on performance of specific duties and obligations, contribution at the meetings and otherwise, independent judgment, governance issues, and contribution to the board oversight. The outcome was a balanced and diversified Board of Directors. (refer page 56)

Board compensation is guided by the Remuneration Policy of Directors and is in accordance with the provisions of applicable law and the by-laws. Independent Directors are allowed fixed sitting fees and reimbursement of actual travel expenses. (<https://www.adanitransmission.com/investors/corporate-governance>)

Board's Role

The Board sets the direction; reviews, assesses and approves strategic initiatives; as well as assesses and understands the issues, forces and risks that define and drive the Company's long-term performance. In its supervisory capacity, the Board also monitors corporate performance and executive team behaviour. The supervision is holistic and includes strategy development, design and implementation.

The Board at its periodic meetings discusses the Company's ESG initiatives, along with financial and other agenda items. The Board also encourages the senior management to take steps beyond compliance in regulatory requirements and other matters.

Board Committees

The Board committees play a vital role in ensuring sound corporate governance practices.

Our Board constitutes the following committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility and Sustainability (CSR&S) Committee
- Risk Management Committee
- Securities Transfer Committee

Independence

The Board comprises at least **50% Independent Directors**, bringing independent judgement and diverse mindsets to the boardroom.

50% Non-executive, Independent Directors

Ethics and Integrity

We have implemented the 'Code of Conduct' with the underlying belief of conducting business in a principled manner. The code sets out principle guidelines to be followed by all employees and associates of ATL. This facilitates an ecosystem that is conducive to the Company's Board members and associates.

Board Oversight

The Board committees are set up under the formal approval of the Board to carry out clearly defined roles that are performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the committees and is responsible for their actions. The committees are constituted to handle specific activities and ensure speedy resolution of diverse matters.

Corporate Governance Contd.

Oversight Priorities

Capitals Impacted

Key Decisions

Finance and Control

The Board committee oversees the financial reporting process of the Company, quality and integrity of accounting, and auditing and financial reporting process, including internal controls.



Refer
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Securities

The Board oversees the transfer/transmission of the Company's securities, issue of duplicate share / debenture certificates, split-up/sub-division, and consolidation of shares, issue of new certificates on re-materialisation, sub-division and other related formalities.



Refer
page 154

Selection and remuneration

The Board is aware that to deliver value to the stakeholders, highly experienced and professional members must be nominated and evaluated based on their performance. The Board ensures remuneration practices are designed to deliver remuneration that is competitive, fair, incentivises performance, and is aligned with conduct expectations of the Company.



Reference
Page 150

Stakeholder relationship

The Board and management proactively engage with key stakeholders and address their concerns in the best way possible. Collaboration, transparency and regular communication are important to the Company's approach.



Refer
Page 152

ESG performance and assurance

The Board oversees the implementation of the CSR Policy and Sustainability Policy, including the reporting of ESG performance, assurance of data and management system execution.



Refer
Page 153

Risk and control

The Board oversees the implementation of the ERM Framework, including the approval of key risk framework, and receives reports on ESG risk triggers, limits and management actions.



Refer
Page 153

Skills and Experience

ATL's Board brings together a wealth of knowledge, perspective, professionalism, divergent thinking and experience. Our Board members have a deep understanding of governance, technical, financial and non-financial issues. In particular, skills and experience in the areas of the power sector, strategy, financial, counterparty negotiation, risks, and legal, environment and social issues, are required of the Board as a collective competency.

(refer to Remuneration policy and ID terms and conditions of appointment at <https://www.adanitransmission.com/investors/corporate-governance>)

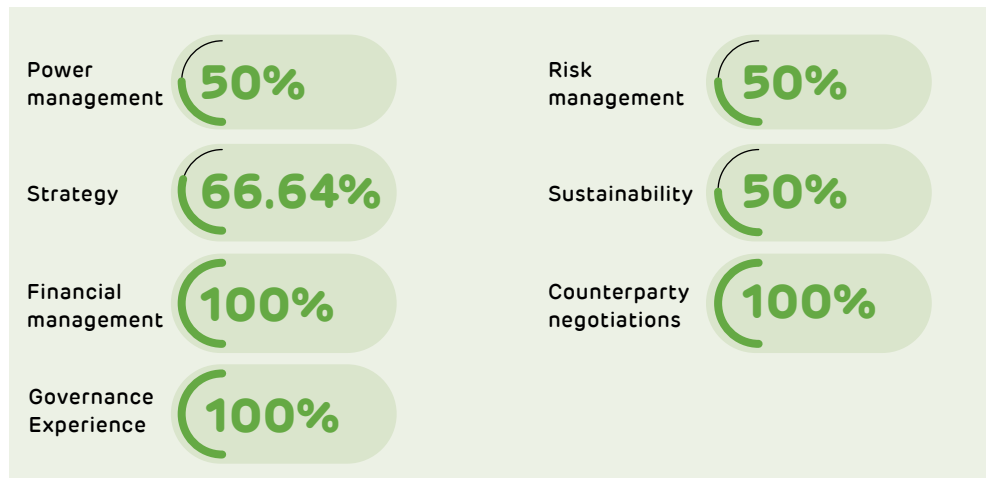
Prerequisites of being a Board member:

1. Embrace the shared vision, mission and values of the organisation
2. Knowledge of industry/sector, policies, major risks/threats and potential opportunities in which the Company operates
3. Technical skills/experience in accounting/finance, Government or public policy, economy, human resource management, strategy development and implementation capital planning
4. Governance competencies such as Director in a large organisation, compliance focus, leadership, risk management experience and business judgement

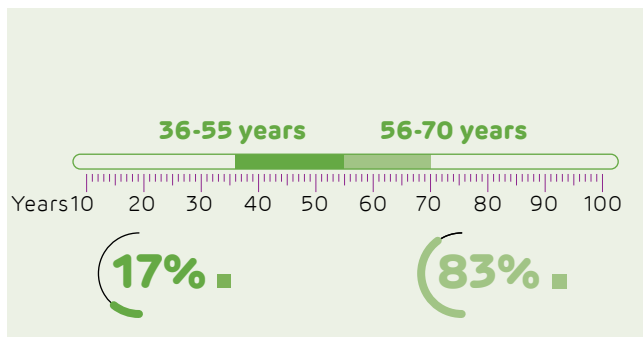
Board Experience



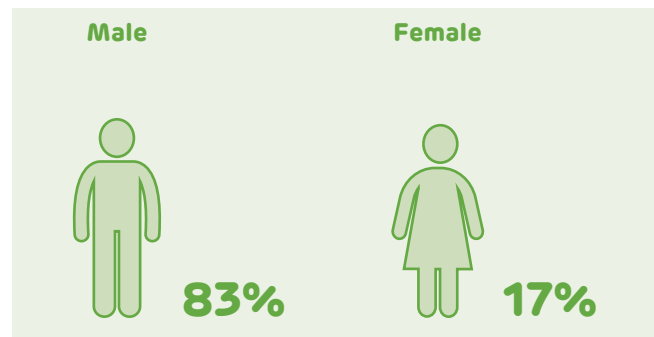
Skills



Board Age Profile



Diversity



Board of Directors

Catalysts for Maximising Stakeholder Value

Drawing from the best global practices for a high-performing Board of Directors, ATL is fortunate to have a truly diverse Board, whose wisdom and strength can be leveraged to enhance corporate governance and maximise value for stakeholders.

An optimal combination of executive and non-executive directors, with more than half of the Board comprising independent directors, ATL's Board brings together a wealth of knowledge, perspective, professionalism, divergent thinking and experience.



Shri Gautam S. Adani

Chairman : **T**



Shri Rajesh S. Adani

Chairman : **C**

Member : **S R T**



Shri Anil Sardana

Chairman : **R**

Member : **S C T**



Shri K. Jairaj

Chairman : **A N S**

Member : **C**



Dr. Ravindra H. Dholakia

Member : **A N**



Mrs. Meera Shankar

Member : **A N**

Shri Gautam S. Adani

Mr. Gautam Adani is the Chairman and Founder of the Adani Group, and has more than 33 years of experience. Under his leadership, the Group has emerged as a global integrated infrastructure player with interests across Resources, Logistics and Energy verticals. Mr. Adani's success story is extraordinary in many ways. His journey has been marked by his ambitious and entrepreneurial vision, coupled with great vigour and hard work. This has not only enabled the Group to achieve numerous milestones with speed and scale, but has also resulted in the creation of a robust business model that is contributing towards building sound infrastructure in India.

Shri Rajesh S. Adani

Mr. Rajesh Adani is the Director of our Company. He has been associated with the Adani Group since its inception. He is in charge of the operations of the Group and has been responsible for developing its business relationships. His proactive, personalised approach to the business and competitive spirit have helped shape the growth of the Group and its various businesses.

Shri Anil Sardana

Mr. Anil Sardana comes with about four decades of experience in the power and infrastructure sector. He began his career with NTPC and subsequently worked with BSES and Tata Group of Companies in the power and infra sector, ranging from generation, power systems design, power distribution, telecom and project management. Prior to joining the Adani Group, he was the MD & CEO of Tata Power Group, which is based out of Mumbai. Mr. Sardana is an honours graduate in Electrical Engineering from Delhi University (1980), a Cost Accountant (ICWAI) and also holds a PGDM from All India Management Association. He has undergone top management training from reputed institute like IIMA and 'Specialised Residual Life Assessment course for Assets' at EPRI – USA.

Shri K. Jairaj

Mr. K. Jairaj is from the 1976 batch of Indian Administrative Service, Karnataka Cadre. He graduated in Economics from the prestigious Central College Bangalore University and obtained Distinction in M.A. (Economics) from the Delhi School of Economics. He did his masters in Public Administration and Public Affairs from Princeton University and Harvard University, respectively. He has held prestigious and key appointments during his distinguished career of 36 years with the Indian Administrative Service. Mr. Jairaj was Principal Secretary to the Chief Minister of Karnataka and served as Energy Secretary, Government of Karnataka and piloted key reforms in this sector. He was the Founder MD of Bangalore International Airport Limited (BIAL), which set up the Greenfield Bangalore International Airport. Mr. Jairaj has served as President, All India Management Association, Delhi and on the Boards of IIM, Bangalore and Kashipur. Other notable assignments include BESCO; Managing Director, Bangalore International Airport Ltd; Managing Director, Karnataka Power Corporation Ltd; Managing Director, Karnataka State Road Transport Corporation; Commissioner, Bangalore City Corporation for two terms; Commissioner for Commercial Taxes; and Principal Secretary to the Chief Minister. He has been conferred with a number of awards and citations during his distinguished service. He is associated with several educational and not-for-profit institutions.

Dr. Ravindra H. Dholakia

Dr. Ravindra H. Dholakia, a retired Professor of IIM, Ahmedabad, has more than 38 years of experience in regional economic development, economic analysis and policy, international economics and health economics. He holds a post-doctoral research fellowship from the University of Toronto and a PhD in Economics from M S University, Baroda. Earlier,

he served as a consultant to state and central governments, private sector institutions and international organisations such as WHO, UNICEF, ADB and World Bank. He has also been a member of various committees appointed by the government and has more than 140 research papers and 22 books to his credit.

Mrs. Meera Shankar

Mrs. Meera Shankar joined the Indian Foreign Service in 1973 and had an illustrious career spanning 38 years. She served in the Prime Minister's Office for six years, from 1985 to 1991 working on foreign policy and security matters. Thereafter, she led the Commercial Wing in the Indian Embassy in Washington as Minister (Commerce) till 1995. She returned as Director General of the Indian Council of Cultural Relations overseeing India's cultural diplomacy. She has had extensive experience in South Asia having worked in Bangladesh, Sri Lanka and Maldives as Under Secretary and Deputy Secretary in the Ministry of External Affairs. Later, as Joint Secretary, she headed divisions dealing with neighbours, Nepal and Bhutan, and the South Asian Association of Regional Cooperation (SAARC). As Additional Secretary, she handled the UN and international security issues. She served as Ambassador of India to Germany from 2005 to 2009 and then to USA from 2009 to 2011.

Board Committees

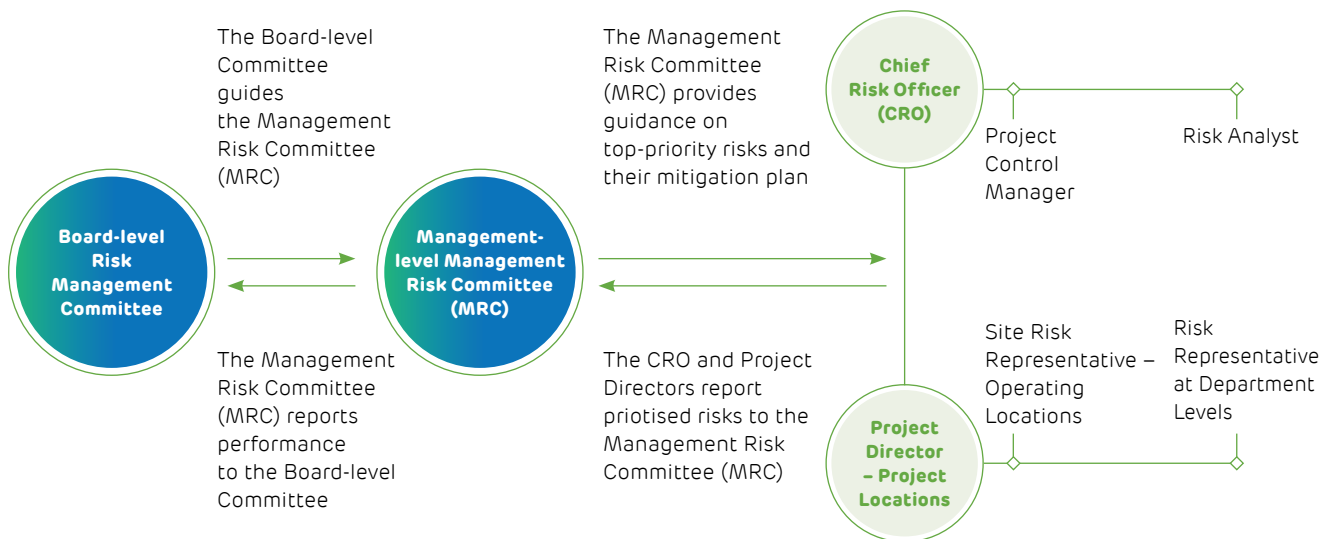
- Corporate Social Responsibility & Sustainability Committee
- Stakeholders' Relationship Committee
- Risk Management Committee
- Audit Committee
- Nomination and Remuneration Committee
- Securities and Transfer Committee

Risk Management

A Proactive and Disciplined Approach

A robust risk management system has been put in place to identify, assess and manage risk factors that could affect ATL's operations. Efficient risk management is key to achieving short-term goals and sustained value creation over the long term.

Risk Management Governance Structure



Governance of Risk Management

The Board is assisted by the Audit Committee and Risk Management Committee, which reviews and monitors the effectiveness of the risk management processes of the Company in accordance with the corporate governance requirements. The said committees ensure that the risk management process complies with the relevant standards and works effectively. The Board oversees the activities of the Audit Committee and Risk Management Committee the Company's external and internal auditors as well as the Company's risk management function.

Our Approach to Risk Management

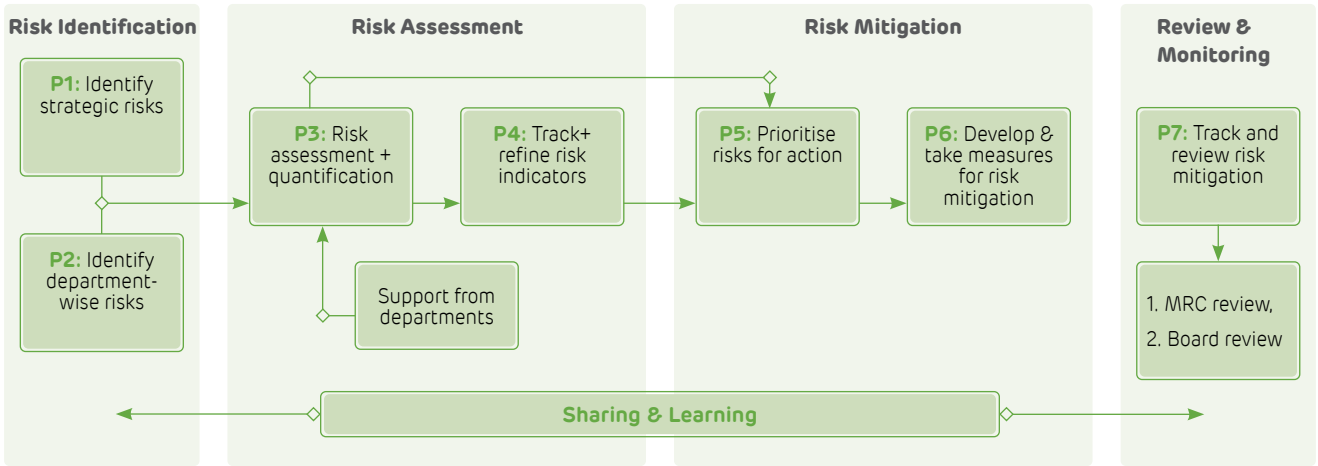
The Management Risk Committee (MRC) assesses, manages and reports on all significant risks, the impact on the business and mitigation measures. The Committee also assesses the effectiveness of risk identification process, determines the alignment of risk management to the Company's of risks on business sustainability. Responsibility for monitoring the management of these risks is assigned to the Functional Risk Committees (FRCs) for respective business units, with overall supervision and coordination provided by a Business Risk Team (BRT). The risks are








then considered at a Group level through the monitoring process of the Audit Committee and Risk Management Committee(s).

Our Risk Management Process

Our risk management process aims to supports the delivery of the Group's strategy by managing the risk of failing to achieve business objectives. By focusing our risk management system on the early identification of key risks, it enables us to conduct a detailed consideration of the existing level of mitigation and the management actions required to either reduce or eliminate the risk.

Risk Management Frame work



Key Risks	Mitigation Strategy	Capital Linkage
O&M		
Loss of availability due to breakdown of equipment	<ul style="list-style-type: none"> Regular predictive and preventive maintenance of assets Insurance coverage Asset health management programme <ul style="list-style-type: none"> Residual Life Assessment (RLA) of critical equipment Condition-based monitoring Predictive analysis RCM (Reliability Centred Maintenance) Specialised in-house diagnostic team 	 
Failure of major equipment, i.e. transformer, reactor, tower etc. due to natural calamity	<ul style="list-style-type: none"> Adequate spare availability for restoration Early resource deployment for restoration Emergency Restoration System (ERS) availability for early restoration of line Insurance coverage Spare pooling mechanism with peers Vendor-maintained inventory 	 
Ability to obtain Right of Way (RoW)	<ul style="list-style-type: none"> Administration help/support Relation building with local authorities Settlement of issues during project phases 	 
Scarcity of skilled manpower	<ul style="list-style-type: none"> Creating bench strength Multiskilling and multitasking Retaining of HVDC terminal station staff Capability building – Periodic trainings and development Retaining of ERS and hotline-trained staff Job rotation and on-job training to crate a pool of skilled manpower for specialised operation and maintenance 	

Overview

About ATL

Resolute

Robust

Responsible

Statutory Reports

Financial Statements

Risk Management Contd.

Key Risks	Mitigation Strategy	Capital Linkage
Attrition	<ul style="list-style-type: none"> • Culture building • Right people at the right job • Employee engagement • Career management and ability to offer growth opportunities as a growing organisation • Internal job postings 	
Scarcity of skilled contractors	<ul style="list-style-type: none"> • Developing in-house capabilities • Vendor development • Technology intervention to reduce dependency • Revising strategy for work packages instead of EPC contracts (directly connect with sub-contractors) 	
Statutory and regulatory policy change by government	Timely involvement by submitting suggestions to authorities during draft policy/regulations	
May not be able to offset any increase in costs, including operation and maintenance costs, solely from tariffs payable to us under the TSAs	<ul style="list-style-type: none"> • Proper estimation of O&M cost during the bidding to minimise any upside during execution • Technology intervention to keep track of asset health and digital operation of assets for efficient and consistent performance 	
Migration of customers	<ul style="list-style-type: none"> • Overall cost optimisation (to become tariff Competitive) • Incentive scheme for LECs and employees to promote consumer acquisition • Value-added services to Customers 	
Engineering		
Realignment of lines due to other lines in the parallel route being under construction	In such cases, our in-house engineering team is well-equipped to complete the revised engineering in a short span of time along, with designing of specialised towers to mitigate cost and timeline. However, any considerable increase in cost because of external factors can be claimed under change in law / force majeure, as applicable.	
Regulatory		
Domestic Business Risks		
Shrinking pipeline for TBCB opportunities: Government to award most of the projects through the MoU route. Majority of the intra-state Projects are not being awarded through the TBCB route.	Policy advocacy at the central and state levels to award all future transmission projects on the TBCB model. States would be identified with high potential of future transmission infrastructure requirements and prioritised for policy advocacy for awarding intra-state transmission project on the TBCB model.	



Financial capital



Manufactured capital



Human capital



Intellectual capital



Social and relationship capital



Natural capital

Key Risks	Mitigation Strategy	Capital Linkage
Lack of timely identification and completion of acquisitions or non-efficient integration of the businesses, technologies and products that we acquire, may affect our operations and profitability	Proactively approaching the companies to gauge their keenness for selling off assets. For valuation of M&A activities, independent view may be undertaken. Appropriate cost may be factored in towards integration and smooth operations.	
New players looking to enter the Transmission space might drive down the returns	Cost optimisation in procurement, project execution, finance and O&M functions to provide competitive offer. Innovative financing options such as refinancing shall be continuously considered for financing cost optimisation.	
Competitive advantage to central transmission utility due to its scale of operations		
Forward integration of EPC contractors in transmission	To become more competitive in our cost estimation, project execution will be in line with market forces.	
Slowdown in the pace of regulatory reforms – Revision of standard bidding document and amendment to Electricity Act, etc.	Policy advocacy with the centre, states and regulators for revision of standard bid documents and Electricity Act	
International Risks		
Political stability	Before getting into business in a foreign country, political stability shall be assessed and cost pertaining to such risk shall be factored appropriately.	
Inflation risk	Escalation on inflation either to be managed as a pass-through component in the contract or back-to-back contracting for O&M may be passed on to the sub-contractor. Moreover, a suitable costs would be considered in the model at the bidding stage itself.	
Repatriation	Investment to be undertaken only if repatriation is allowed and if there are any changes in rules/laws w.r.t repatriation that should be appropriately addressed in the contract.	
Foreign exchange risk	A suitable hedging strategy and accounting the hedging cost upfront	
Skilled resources availability	To be assessed before getting into the foreign business. Visa rules for expats to be looked at and the cost of deputation of existing employees, including deputing personnel after recruiting in home country, would be assessed.	

Environment Approach

Preparing for a Low-Carbon Future

Climate change is one of the major challenges of our time – and the primary theme driving the energy industry in the foreseeable future. Protecting the environment and preserving natural resources are the two most pressing needs of the hour. As a responsible corporate citizen, ATL's environmental agenda aims to maximise resource efficiency and mitigate the negative impact of our operations on the ecosystem. We are embracing the transition to a low-carbon economy and are moving towards our goal of becoming a leader in the transmission and distribution of reliable, clean power.

Performance Indicators and Initiatives

Co₂ Emissions

- Scope 1 (tCO₂e): **31,87,008**
- Scope 2 (tCO₂e): **21,155**

Water

- Freshwater (KL): **18,16,542**
- Water recycled (KL): **2,04,494**

Waste

- Fly ash utilisation at generating station: **100%**
- Hazardous waste generated: **93.10 MT**

Land Use

- Compensatory afforestation: **159.36 HA**
- Forest area involved/proposed for diversion: **79.68 HA**



Climate Change

A recent study¹ drawing conclusions from science around emission pathways, adaptation schemes and global and regional climate models estimates that India will experience extreme risk of heat waves and humidity between 2030 and 2050. As a transmission and distribution company, our business is exposed to both physical and transition risk of climate change. The physical risk entails the resilience of infrastructure assets to withstand extreme weather conditions - loss of grid efficiency. The transition risk entails decarbonisation of thermal-based power systems owing to regulatory pressures and carbon tax. These risks could alter the energy mix in the grid and increase asset-based investments and adaptation

costs. We anticipate a moderate level of risk in the long term due to climate change on our grid infrastructure.

What Does It Mean for Us?

Our assets are located in states like Rajasthan, Gujarat, Maharashtra, Bihar, Madhya Pradesh, Haryana, Uttar Pradesh, Chhattisgarh and Jharkhand that are prone to natural disasters such as flooding, cyclones and earthquakes. We have drawn up a strategy to internalise these risks and safeguard ourselves under the worst-case scenarios. ATL's climate agenda aims to build resilient infrastructure design, achieve excellence in operational performance, and enhance green cover.

Key aspects of our environment strategy:

- Integrating climate considerations into key business decision-making and managing related risks through our corporate enterprise risk management system
- Taking an active and constructive role on new climate change policy solutions with governments, industry associations, environmental organisations, and communities
- Improving emission intensities and operational efficiency at all our facilities
- Tracking and reporting our efforts to reduce energy use and carbon emissions

Environmental Factors Impacting ATL's Business Mode

Climate Awareness	Carbon Emissions	Resource Management	Waste Management
<p>Climate Readiness</p>	<p>Reduced the Carbon Footprint</p> <ul style="list-style-type: none"> • Increase in renewable procurement for the distribution business (Awarded 700 MW of Solar + Wind Power contracts to be available by or before FY22) • Promotion of rooftop solar at Mumbai • Ground mounted solar power of 1.70 MW for auxiliary consumption at various ATL substations 	<p>Optimised Resource Use</p> <ul style="list-style-type: none"> • Water: Rainwater harvesting at substations • Land: Compact substations in distribution business (elevated and underground substations) 	<p>Reused and Reduced Waste</p> <ul style="list-style-type: none"> • 100% fly ash utilisation at generating station • 5S implemented at all locations
	<p>Climate Alignment</p> <p>We are moving into the next stage of our sustainability journey with more ambitious plans and targets related to preserving environment and measuring GHG emissions by:</p> <ul style="list-style-type: none"> • Evaluating and planning for climate change driven adversities • Providing efficient energy solutions for Mumbai's 3 Million+ customers <p>We have aligned our business plan, and are investing in below activities for sustainable growth:</p> <ul style="list-style-type: none"> • Research & Development for design-driven efficiency • Biodiversity management and conservation • Optimisation of waste and energy consumption 		

¹McKinsey Global Institute's Climate Risk and Response Report 2020

Environment Approach Contd.

Environment Strategy

		Impact Level	Goal
1 Build Resilient Infrastructure	Adaptation	Moderate	<ul style="list-style-type: none"> Long-term sustenance of tower
	Adaptation	High	<ul style="list-style-type: none"> Reduce distribution losses to <= 7% by FY21 Reduction in downtime during maintenance Maintain more than 99% availability
2 Achieve Operational Excellence	Mitigation	High	<ul style="list-style-type: none"> 30% renewable power procurement for the distribution business by FY22 and 50% by FY25 100% auxiliary consumption from renewable sources in transmission business
	Mitigation	Low	<ul style="list-style-type: none"> Enhance rainwater harvesting at substations Compact Substation
3 Protect Ecological Services	Adaptation	Low	<ul style="list-style-type: none"> Land Use Increase green cover

Actions

KMP

Performance

- Robust tower designs to withstand extreme events

- Number of tower collapse recorded

Zero

- Minimise energy loss
- Maximise network availability

- Average distribution loss
- Transmission system availability 99.76%

- Average distribution loss 7.37%*
- Transmission system availability 99.76%

- Maximise RE integration

- RE% procurement
- Renewable power capacity (MW)
- % power consumed from RE source in transmission business for auxiliary power

- AEML has tied up a hybrid (solar+wind) 700 MW PPA
- RE procurement from grid
- Renewable power capacity installed: 1.84 MW
- % power consumed from RE source in transmission business for auxiliary power - 12.93% at substation

- Replenish groundwater
- Reduce resource use

- Rainwater harvesting capacity created at substations
- Land use optimised

- RWH potential created at substations: 3,53,077 cubic metre per year
- Freshwater withdrawal (KL): 18,16,542
- Water recycled (KL): 2,04,494
- Compact substations in distribution business (elevated and underground substations)

- GIS substation
- Plantation drive

- Number of GIS substations
- Number of plantations

- 5 GIS substations
- Total mangroves planted: 2,31,64,476 (Cumulative)
- Total tree planted: 12,13,831 (Cumulative)

*Provisional figure as March sales values are estimated owing to COVID-19 related restrictions.

Environment Approach Contd.

Environmental Performance

We comply with all applicable environmental regulations. To achieve the level of excellence we strive for, we focus on accountability, engagement and continuous improvements.

Environmental regulations are periodically revised, and it is critical for us to stay abreast of any changes. We conduct internal checks on our compliance procedures through audits and legal software LEGATRIX, which provides additional layers for controlling risks. Our goal is zero violations of environmental regulations or laws. We are annually audited on adherence to environmental regulations, permits and environment management system. We also have internal control systems, the results of which are regularly reviewed by the Board's Audit Committee.

As a forward-looking corporate entity, we go much beyond meeting compliance requirements. As an example, our 500 MW thermal generation unit was awarded 5-star rating by the Maharashtra Pollution Control Board (MPCB) for low levels of PM10 emissions in FY20. Furthermore, our employees voluntarily conduct awareness sessions in schools and villages on natural resource conservation and energy saving, among others.

1. Build Resilient Infrastructure

(i) Robust Tower Designs to Withstand Extreme Events

Transmission networks have grown from being singular and serving local areas to being large regional and inter-regional networks connecting distant power sources to high-demand spots. This transition is inextricably linked to the need of having resilient and reliable networks. Our goal is to

establish stronger transmission networks within each system and stronger interconnections between systems. Therefore, getting it right the first time in building critical infrastructure is the cornerstone of our strategy to protect ourselves from windfalls and unexpected blackout events.

While we use different tower designs to connect networks angularly, we also developed innovative designs using eccentric connectors to reduce the need for patches and braces. This minimises structural stress during construction. Our towers have cost-effective arrangement of secondary members and a smart design of flange connections and notching, both enhancing the strength of the tower. The quality of the design has a positive impact on the whole operation, as the advantages of getting the fitment right multiplies over the production run of hundreds of towers.

Secondly, our design practices are such that we evaluate all conditional aspects like wind zones, seismic zones, soil resistivity, water properties, hydrological assessment, and various other environmental factors. By virtue of this, our towers hold the capacity to withstand a range of contingencies and adverse conditions.

In our distribution system, we are investing heavily to strengthen the existing infrastructure and improve operations through technology interventions. This will enable the distribution network to withstand extreme events and further improve reliability.

(ii) Minimise Energy Losses

One of the most significant impacts of high temperatures on the transmission and distribution networks is loss of efficiency and reliability of networks due to energy losses. This not only impacts EBITDA negatively, but also exposes us to competitive threat and reputation risk. Central to our long-term approach of operating with excellence is to minimise energy losses by modernising transmission and distribution networks.

Transmission systems availability: **99.76%**

Distribution loss: **7.37%***

(iii) Emergency Restoration System (ERS)

Our resilience rests on rapid recovery after an event. Rapid recovery following a transmission or distribution network collapse requires inspection and replacement or repair of damaged system components. These actions require specialised workforce. Permanent restoration takes longer (from days to weeks) depending on site conditions, quantum of damage, availability of spares and resources. However, in lightweight structures, ERS is very useful for early restoration of transmission system. Erection of ERS towers takes between 3 to 15 days. Even though ERS installation process takes some time, restoration delays can be minimised. Currently, ATL has two ERS sets in the central part and one ERS set in the western part of country.

*Provisional figure as March sales values are estimated owing to COVID-19 related restrictions.

Emergency Restoration System Activated During Cyclone VAYU

Cyclone Vayu hit the India’s western coast, especially Saurashtra region of Gujarat in mid June 2019. At ATL, we activated pre-emptive measures with ERS to build preparedness of our specialised team. Site-level Disaster Management Plan was executed. As standardised in the plan, structural fittings, equipment and spare parts were assessed for potential hazards. Teams were activated and proper roles and responsibilities allotted to members to allow unrestricted and easy flow of information during the disaster. Control rooms were prepared to take necessary informed decisions to adjust load as the situation demands. In addition, canteen and storerooms were stocked to work as shelter homes in the event of untoward eventuality. Potential affected parties were informed and equipped to act swiftly.

All these efforts made a huge difference in building awareness of the teams through natural simulation and preparing us for managing disasters in future.

2. Achieve Operational Excellence

(i) RE Integration in Grid

While climate change poses risk to electric utilities, there are distinct opportunities provided by the potential carbon pathways for GHG emission reductions. Clean energy integration in electric networks achieves overall emission reductions and eventually becomes cost-effective for customers. Although the initial set-up cost to allow easy integration of variable energy flow is high, the results are phenomenal in the long run. Also, in the context of the Government of India’s target of generating 175 GW of renewable energy by 2022, its integration offers an opportunity for ATL to invest in assets through green corridors to serve a diversified energy mix in the system.

In FY20, AEML signed during a PPA for 700 MW hybrid renewable power (approved by MERC), which will form ~30% of AEML’s gross energy demand by FY22.

(ii) Reduce Resource Use

Transmission and distribution lines do not have significant direct impact on the environment. However, there are some negative environmental impacts due to the use of resources during the construction phase and operation phase of existing networks.

Environmental pollution no matter how insignificant in the macro set-up, will have negative impacts on the ecosystem, as well as our business in the long term. Therefore, as a proactive measure, we have implemented Environmental Management Systems and monitoring processes to reduce our environmental footprint.

Our focus is largely on reducing carbon emissions at the operational level. Our carbon footprint is closely linked to energy consumption and its source.

Energy & GHG Emissions

Over the years, a focused drive to improve efficiency while tapping renewable energy sources has resulted in a good emissions record. During FY20,

we consumed 58,805.39 GJ of direct energy and 12,54,924 GJ of auxiliary power at our substations and repeater stations; 12,49,265 GJ* of energy was used by our contractors and supply chain partners to support our business activities.

Our decarbonisation plan includes improvement in the energy mix of the distribution business and supporting consumers by facilitating rooftop solar and EV charging services. Also, the station heat rate for Dahanu thermal plant 2263 kcal/KWh which is one of the best in the country and 187 kcal/KWh lower than norm set by regulators.

Our efforts towards reducing GHG emissions and air pollution led to a 5-star rating from the MPCB for the performance of our Adani Dahanu Thermal Power Station (ADTPS) thermal generation unit in FY20.

*Fuel used by contractor for transporting material and running machinery

Environment Approach Contd.

The corresponding GHG footprint of our operations is 31,87,007.68 tCO_{2e} of Scope 1 emissions and 21,155.04 tCO_{2e} of Scope 2 emissions. 93,796.62** tCO_{2e} emissions were accounted as Scope 3.

Energy Used and Exported

Particulars	Total (GJ)
Energy used within the organisation	13,13,729
Energy used outside the organisation	12,49,265
Total energy exported***	2,415.98

Emissions

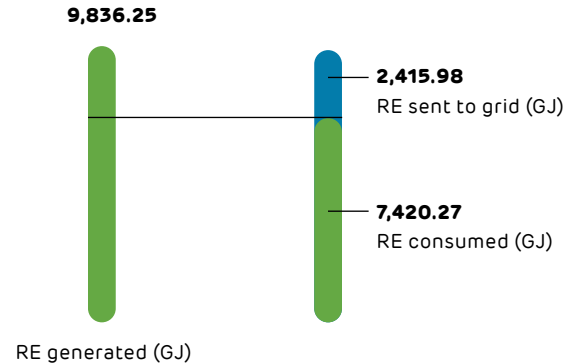
Particulars	Unit	FY20	FY19
Scope 1	tCO _{2e}	31,87,007.68	34,46,189.13
Scope 2	tCO _{2e}	21,155.04	24,078.59
SO _x	Tonnes	1,069.6	1,004.1
NO _x	Tonnes	2,941.56	2,666.88

** Emission by contractor vehicle for transporting material and running machinery

***Extra Solar generation unit sent/exported to grid

To offset our impact, we installed 1.84 MW solar panels on the rooftop that generated 9,836.25 GJ of clean energy. While we consumed 75.43% of this energy, the rest 24.57% was exported to the grid.

Renewable Energy Data



Energy-saving Initiatives

During the year, we implemented various energy-saving initiatives which helped us generate cost savings while reducing the overall impact on the environment. We see several opportunities to further reduce our environmental footprint, which we plan to take up in a phased manner. During the year, we made various structural changes in our equipment and replaced parts to plug leakages and reduce inefficiencies.

We reduced 45,718 MWH of energy consumption due to structural changes and another 77.1 MWH due to LED light replacement. This translated to **emission reduction of 37,552 tCO_{2e}**.

Optimisation of CW pumps – Power Generation Unit help save ₹ 1.27 Crores

ATL is known for its distinctive features that sets it apart from others, in terms of technological innovation, superior performance and sustainability for a longer period.

We have implemented state-of-the-art technology to improve system efficiency. One such initiative to is to optimise the auxiliary power of Circulating Water (CW) pumps.

CW pumps are critical for plant operations. They are used to circulate cooling water or circulating water through the condenser tubes. Inside the condenser, phased conversion of saturated steam from LP turbine exit takes place. During this phase, a large quantity of latent heat is released. This latent heat is absorbed by the cooling water supplied by CW pumps. After absorbing the heat, the water is then passed through

Natural Draft Cooling Tower (NDCT) where it releases the heat naturally (due to the shape of cooling tower). This water is cooled again for use in CW pumps.

At ATL, CW systems are equipped with concrete volute pumps to facilitate the smooth functioning of the seawater condenser cooling system.

CW pumps supply seawater to the condenser whose performance in turn depends on the following factors:

- Sea water temperature
- Sea water tide level
- Condenser load

Seasonal variations in the seawater temperature range from 23 °C to 37 °C and tide level from -0.5 to 6 metres.. These factors together provide an opportunity to enhance auxiliary power of CW pumps. As a result, ATL could optimise the running hours of CW pumps, thereby saving ₹ 1.27 Crores.

Emission Reduction

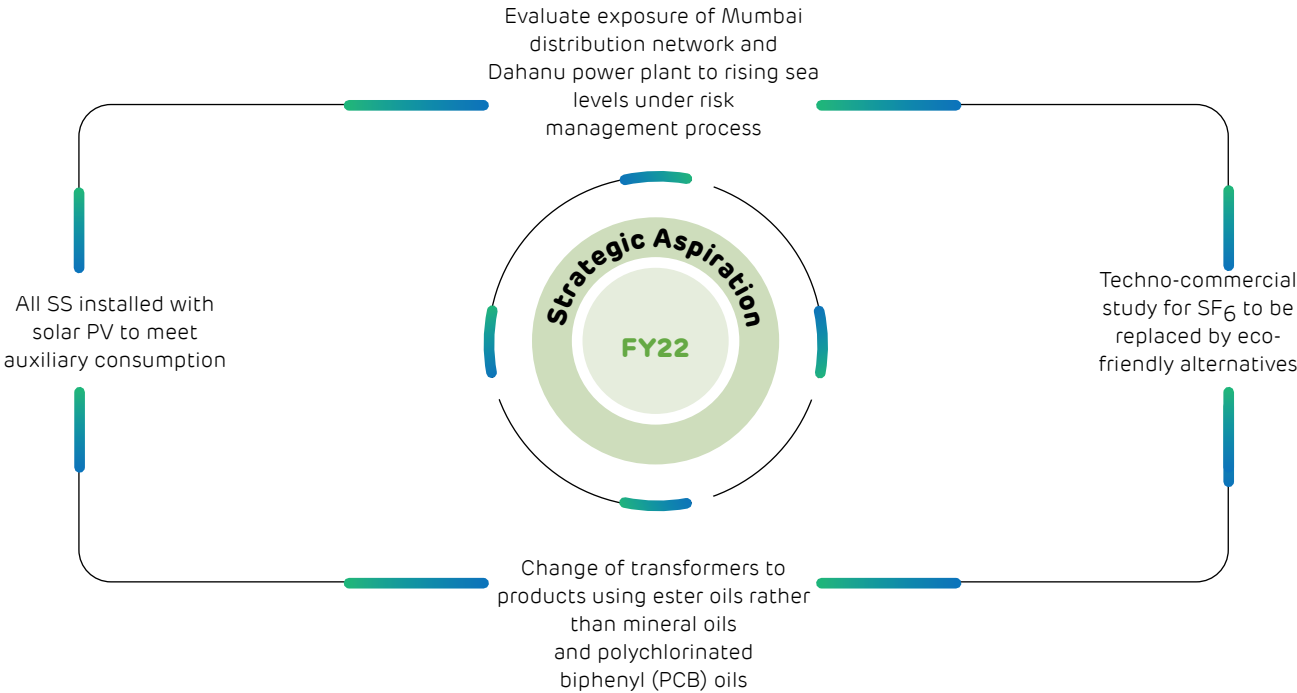
Reduce the Use of SF₆: SF₆, though used in small quantities, has a huge impact on the environment due to its high Green Warming Potential (GWP). We are planning to phase out the use of SF₆ for electrical insulation and transitioning to more environment-friendly solutions.

895.58 tCO_{2e} Emissions due to SF₆ refills

Our team follows strict protocol for usage of SF₆ in circuit breakers and refrigerants such as R-22/R-32/R-410 in air conditioners. For all installed electrical equipment, we conduct preliminary screening for capturing SF₆ emissions and use SF₆ leakage detection kit for detecting the leakage.

With regular monitoring and timely maintenance as per set preventive maintenance schedule, refrigerant usage is monitored using a simplified Material Balance Method. Maintenance activities are scheduled timely so that minimum refills are required. All operational parameters are regularly monitored for any deviation and is swiftly attended to in case of an incident.

Emissions	Unit	FY20	FY19
Emission due to SF ₆	tCO _{2e}	895.58	5,108.11



(iii) Water Management

Water is a necessary component to our operation and an essential part of daily life for our communities. Our operations stretch several kilometres, and thus withdrawal of ground water does not have any significance on the aquifers of those areas. Nevertheless, we have institutionalised a water

strategy that models short-, medium- and long-term impact scenarios on our operations, especially with respect to water availability in future. Our water withdrawal and discharge are low, but we still monitor our performance to prevent overuse and identify opportunities for optimisation. In the transmission and

distribution business, water is primarily used for drinking, gardening activities and in fire-fighting systems. At the generation units, water is used for producing steam. Water is sourced from the Kawdas pick up weir from the Dhamni dam. Seawater is channelled through a zig open route to restrict the temperature rise to below 5°C.

Environment Approach Contd.

During the year, we consumed 18,16,542 KL of freshwater cumulatively across our businesses and operations. While there is no scope for water recycling in our transmission and distribution business, 2,04,494 KL of water was recycled.

To offset our water consumption, we are currently exploring ways to enhance rainwater harvesting. We

currently have five sites with operational rainwater harvesting facility, which we plan to implement across all our substations.

18,16,542 KL

FRESHWATER WITHDRAWAL

Water Withdrawal

Type of Water	FY20	FY19
Freshwater	18,16,542	19,37,800
Seawater	37,70,04,155	40,96,98,900
Water reused	2,04,494	2,46,226

Rainwater Harvesting

The availability of water has a direct correlation with population and precipitation levels. High population and low rainfall often have an adverse impact on water sources – utilised at a faster pace than it is recharged.

Three of our substations– Didwana, Mundra, Mahendragarh and Alwar–are located in water-stressed zones, where the average annual precipitation is below 700 mm. Groundwater is the only source of water in the region. It has resulted in an alarming depletion of water levels.

With an aim to optimise our water consumption and

supplement groundwater use, we have explored every possibility that fulfils the objective cost-efficiently. Rainwater harvesting turned out to be a viable solution. As a pilot measure to evaluate the structure’s feasibility, we installed above ground Rainwater Harvesting Systems (RWS) at three of the most water-stressed regions. The results observed over a period of two years are quite promising. The area has the potential to harvest 3,53,077 m³/year, sufficient to meet our gardening needs and also recharge the groundwater table.

As part of our water management strategy, at ATL, we plan to set up RWS across all our substations.

(iv) Waste Management

We make focused efforts within the boundary of our operations to facilitate proper waste segregation and resource conservation by minimising waste generation. At ATL, we take great care while segregating the waste generated at the source and store it separately. Our Integrated Management System (IMS) includes a system for waste segregation at source and disposal as per the laws of the land.

As a responsible corporate, we manage waste within our operations and beyond by:

- Putting in place a process for tracking waste-related data, including waste generation and disposal. The waste disposal practices are aligned with the rules set by statutory authorities.
- Ensuring 100% utilisation of fly ash from the thermal generation unit
- Carrying out composting of domestic, canteen and gardening waste, which is used as a fertiliser for horticulture at the thermal generation site at Dahanu, Maharashtra
- 5S implementation at all substations

During FY20, the waste we disposed included ~4,624.65 MT of non-hazardous waste including, 3,640.90 MT of scrap metal, 15.75 MT of batteries waste, disposed.

We also disposed 13.52 MT of electronic equipment, such as computers, insulators and other equipment. Our sites comply with all applicable health, safety and environmental requirements to ensure that waste materials are sent for disposal in the most environmental-friendly manner.

Strategic Aspiration FY22

Rainwater harvesting systems to be installed at all new substations and to be made part of engineering specifications for all future development.

Waste Generation and Disposal

Waste Generated	FY20	Type	Method of Disposal
Hazardous Waste	93.10 MT	Oil drums Used Transformer Oil Used/spent oil Waste/residue containing oil MS barrel Waste Resin Used Cotton Waste Empty Contaminated Drums	Authorised recycler and re-processor
Non-Hazardous Waste	4,624.65 MT	Insulator Scrap Wood scrap Steel scrap (tower materials) Aluminium scrap (conductors) GI Scrap Aluminium scrap (Others) Scrap rubber Scrap copper Scrap corroded APH basket Saw Dust MS Scrap Reinforcement Steel	Sale and auction
E-waste	13.52 MT		Recycler
Disposed Battery	15.75 MT		Authorised vendors
Plastic Waste	15.62 MT		Authorised dealer

Strategic Aspiration FY22

- Emphasis on suppliers to use steel drums instead of wooden drums for conductor rolling
- Emphasis on suppliers to supply oil by tankers instead of oil drums



Environment Approach Contd.

3. Protect Ecological Services

i) Land Use

Setting up of any asset requires land, which in recent years has become expensive and inaccessible. Besides being inaccessible, land acquisition has a huge societal impact. Bound by the Rehabilitation and Resettlement Policy 2007, India, land acquisition also requires investments to be made in development infrastructure, compensation for the affected and biodiversity regeneration.

In order to minimise these societal impacts, we apply RoW approach in our transmission and distribution line, which does not need land acquisition.

For setting up substations, we purchase land on a 'willing-buyer, willing-seller basis and by suitably compensating the owner. Conventional substations with Air Insulation Switchgear (AIS) require large space. To overcome this challenge, we are investing in Gas Insulated Switchgears (GIS) substations, wherever feasible. The compactness of GIS substations directly influence land requirements.

Compact modular designs offer many possibilities in layout, and allow tailor-made application. The overall size of each bay and consequently the whole substation reduces to ~10% of the conventional air insulation substation.

Transmission lines span over a large area and may sometimes extend to 1,000 km. On fields, transmission line towers and their support structures may affect agricultural land and increase the spread of weeds. In protected areas, forest under a new transmission line is removed from providing ecological services. Permanent impacts on nature are mainly caused in new tower locations and the border zones of the line clearing.

Our projects and operations may affect local natural habitats and the communities that depend on them. We recognise our responsibility towards minimising our impact and, we strictly follow the basic principles of avoidance, minimisation and mitigation in dealing with the environment and biodiversity.

We collaborate with local community groups, academia and environmental experts to protect and restore natural habitats. In the planning of new transmission line routes, the starting point for us is to avoid sensitive zones, protected areas and natural habitats as much as possible. The preservation of nature values identified at the planning stage is ensured during the construction of the transmission and distribution line.

ATL's key highlights towards addressing environmental and biodiversity aspects:

- 765 kV Fatehgarh-Bhadla transmission line, Rajasthan was passing through the Great Indian Bustard (GIB) Arc; GIB is declared as a critical endangered category under the International Union for Conservation of Nature (IUCN) and Schedule-1 species under the Wildlife Protection Act-1972. ATL has re-routed the line in consultation with forest authorities, which has led to an increase in route length by 50%.
- Working towards restoration by providing alternate habitat/home as proposed for RRWTL and CWRTL.
- ATL has about 14,740 ckt km of transmission lines under execution and operation. Following the basic principle of avoidance and minimisation, forest land requirement is kept to a bare minimum, which is about 2.15% of the total land involved.
- As per statutory requirement of the Ministry of Environment, Forest and Climate Change (MoEFCC), to compensate for the loss of diverted forest land for its ongoing and operational assets, ATL paid ₹ 10.09 Crores in FY20.
- ATL contributed towards compensatory afforestation over an area of 159.36 ha for implementation by State Forest Department Compensatory Afforestation. This led to an increase in forest cover.

5

COMMISSIONED GIS SUBSTATION

5

GIS SUBSTATION IN PIPELINE

2

GIS SUBSTATION IN CONSTRUCTION

ii) **Plantation Drive**
Plantation Details
(Cumulative)

MANGROVES

2,31,64,476

OTHER PLANTS (FRUITS AND
ORNAMENTAL)

12,13,831

Strategic Aspiration
FY22

- Explore creation of norms for green canopy in non-electrical area of SS
- Explore possibility of increasing green cover downstream of transmission lines

Material Consumption

Our engineering department is active in bringing out new and improved designs of towers used for transmission. The key focus is on cost reduction through reduced consumption of material such as steel, aluminium and insulators. In addition, in-house designs help in customising environmental and technical parameters, which was not feasible with standard designs.

We understand that the key to remain competitive lies in our ability to innovate, adopt new technologies and pursue R&D

aimed at process improvements without compromising on technical requirements. We internally circulate our achievements to inspire young engineers to contribute towards innovation.

OUR ENGINEERING DEPARTMENT CONDUCTS R&D ACTIVITIES WITH A FOCUS ON PROCESS IMPROVEMENT AND DESIGN CUSTOMISATION WITHOUT COMPROMISING ON TECHNICAL REQUIREMENTS. TOTAL R&D INVESTMENT

₹ 35,89,024

Material Consumption

Key Material Consumption		FY20	FY19
Coal	MT	19,15,624	21,66,335
Concrete (M20) and Reinforced Cement Concrete (RCC)	Cum	78,053	39,257.90
Steel (tower part)	MT	75,840	24,060.20
Aluminium Alloy (conductor)	MT	22,394.95	4,444.93
Steel Wires (conductor and earth wire)	MT	6,051.78	1,610.13
Diesel	KL	1,550.65	1,065.19
Light Diesel Oil	KL	470.91	469.88



People Approach

Empowering through Learning and Development

Our workforce remains the driving force behind our growth. At ATL, we are developing a dynamic, diverse and dependable team by nurturing and developing the potential of our people. We are committed to creating a workplace ecosystem that promotes learning and innovation, delivering business value and driving thought leadership.



Courage, Trust and Commitment are the main tenants of our philosophy

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

11,980

TOTAL WORKFORCE (EMPLOYEE + CONTRACTUAL)



Team Profile

Workforce Details	FY20		FY19	
	Male	Female	Male	Female
Workforce (Employees + Contractual)				
<30 years	791	112	1,017	22
30-50 years	7,774	350	6,957	321
>50 years	2,819	134	2,785	112
Total	11,384	596	10,759	455

At ATL, we are conscious about the need for workforce diversity, in accordance with the Sustainable Development Goals (SDGs) agreed upon and adopted by all United Nations (UN) member states in 2015. However, we also take cognisance of the fact that our working practices require job rotation on a periodic basis, as well as round-the-clock operations at our cross-country assets and associated operations that are carried out in remote locations across India.

We have evolved alternative streams to support gender diversity by creating opportunities for women, including initiatives toward skill development and empowerment such as Saksham. Our leadership is committed to improve diversity of workforce across gender, ethnicity and disability. Our workforce currently exhibits a well-balanced diversity in terms of age, language and culture, and this has helped ATL in facilitating a conducive work culture.

Recruitment

ATL is an equal opportunity employer and does not discriminate based on race, caste, religion and other such factors. During FY20, we recruited 219 people.

New Hires

Number of Recruits	FY20		FY19	
	Male	Female	Male	Female
<30 years	85	1	204	158
30-50 years	117	8	46	4
>50 years	8	0	4	0
Total	210	9	254	162

Return to Work and Parental Leave

Return to Work and Retention Rates after Maternity/Paternity Leave, by Gender	FY20			FY19		
	Male	Female	Total	Male	Female	Total
Total Number of Employees by Gender that were Entitled to Parental Leave	All*	All	All*	All*	All	All*
Total Number of Employees by Gender that took Parental Leave	16	10	26	12	8	20
Total Number of Employees who Returned	16	7	23	12	6	18
Total Number of Employees who Returned to Work after Parental Leave Ended Who were Still Employed 12 Months after their Return to Work	16	7	23	16	9	25

* In acquired GTD business, female employees are entitled to parental leave

Employee Retention

We aim to retain our high-performing team members and have several policies in place in the form of employee engagement programmes, learning and development initiatives and robust rewards and recognitions platforms.

Employees Leaving ATL Voluntarily or Due to Dismissal, Retirement or Death in Service

People Attrition	FY20		FY19	
	Male	Female	Male	Female
<30 years	22	1	7	1
30-50 years	70	4	42	7
>50 years	227	13	167	11
Total	319	18	216	19

Eligible for Retirement

Eligible to Retire Employees	FY20		FY19	
	In 5 years	In 10 years	In 5 years	In 10 years
Number of Employees Eligible to Retire	1,193	2,676	903	1,394

Safeguarding Human Rights

We remain committed to upholding human rights and have developed a robust mechanism to track any violation and address grievances. Our approach includes adherence to corporate business policies and compliance with applicable laws, including internationally recognised human rights, as set out in the International Bill of Human Rights and the International Labour Organization's Declaration of Fundamental Principles and Rights at Work.

We organise periodic awareness sessions on human rights and applicable laws, along with workshops that include awareness on reporting human rights violation, human resource function and line management function.

To date, no human rights violation cases have been reported by employees or associates working with us.

People Approach Contd.

Learning and Development (L&D)

People are our biggest asset, and we focus on training and upskilling after recruiting the industry's best talent. Besides, several studies suggest that professional development is vital for retention.

At ATL, we identify the learning needs of our people through focus group discussions every year. These talks result in suggestions from our employees, which are then reviewed by the respective Heads of Departments and the CEO and MD for formulating appropriate functional, technical, behavioural and IT training programmes.

We have defined competency framework and our L&D interventions are in line with it. We engage global consultants to strengthen managerial, functional and leadership competencies by in-house Management Development Programme (MDP), such as effective communication skills, essential habits for being successful at work, finance for non-finance employees, competency-based interviewing skill and others.

Competency Framework

Competencies	Competency dimension
Strategic orientation	Visionary outlook
	Business acumen
	Focus on sustainability
Entrepreneurial mindset	Seizing opportunity
	Resilience
Stakeholder partnering	Value creation while leveraging networks
	Customer centricity
Outcome orientation	Effective execution and operational excellence
	Risk-reward management
	Ownership and accountability
Transformation mindset	Learning agility
	Embracing change
Innovation focus	Unlocking technology potential
	Building an agile organisation
Team orientation	Teamwork and collaboration
	Conflict management
Employee development	Employee development
	Driving a high-performance culture

Functional Training

We train our people with special industry skills that cover various technical aspects, including construction and O&M of power plants, transmission lines substations and distribution, among others.

Behavioural Training

Behavioural training programmes are anchored in our vision, values and culture. They are designed to facilitate capability building through various tools to prepare selected team members for future assignments and challenges.

Leadership Development Programmes

Overall, we have five leadership development programmes currently underway. Most of these are year-long programmes that use a combination of classroom and online training, projects, webinars and other such training tools to impart knowledge. We nominate high-potential people for these initiatives, which are developed in collaboration with top management institutes.

Leadership Development Programmes

Name of the programme	Developed in association with	Functional training	Nominated candidates
Takshashila	ISB Hyderabad	Leadership development interventions for CXO level	2
NorthStar	Emeritus Business University	Leadership development intervention for senior and middle management.	20
Nalanda	HCMHRD-Pune	Functional competency enhancement programme	3
EPM	Adani Institute of Infrastructure Management (AIIM)	Certification programme in general management (4)	7
Leadership Development Programme	Birla Institute of Management Technology (BIMTECH)	Leadership development MDP	4

Training Data

Particulars		FY20				FY19			
		Technical Training		Behavioral Training		Technical Training		Behavioral Training	
		Male	Female	Male	Female	Male	Female	Male	Female
Senior Management	Number	2,346	43	508	49	262	2	286	12
	Man-hours	9,968	275	3,908	801	5,213	12	2,743	264
	Average	4	6	8	16	20	6	10	22
Middle Management	Number	3,404	260	848	123	1,722	111	1,724	87
	Man-hours	16,260	1,705	6,898	758	24,016	1,116	16,622	1,448
	Average	5	7	8	6	14	10	10	17
Junior Management	Number	4,294	110	1,029	47	388	24	385	46
	Man-hours	18,521	470	13,231	230	15,037	318	3,417	240
	Average	4	4	13	5	39	13	9	5
Supervisory Management (Non-Executives)	Number	2,509	105	645	56	651	15	745	39
	Man-hours	12,124	453	3,390	196	17,168	293	14,302	332
	Average	5	4	5	4	26	20	19	9
Trainees	Number	0	0	3	0	4	10	4	2
	Man-hours	0	0	14	0	32	80	32	4
	Average	NA	NA	5	NA	8	8	8	2
Contractual Workers (FTA/Consultant/ Advisory/ Services)	Number	677	0	1,223	121	44	0	738	55
	Man-hours	4,038	0	4,382	380	600	0	3,384	220
	Average	6	NA	4	3	14	NA	5	4
Total	Participants	13,230	518	4256	396	3,071	162	3,882	241
	Man-hours	60,911	2,903	31,823	2,365	62,066	1,819	40,500	2,508
	Average	5	6	7	6	20	11	10	10

Employee Engagement

We have conceptualised and implemented multiple employee engagement initiatives to enhance the productive work environment of ATL. Our Business Excellence journey was recently rolled out and inspires our teams to perform better. We also conduct quarterly townhalls known as 'Let's Connect', employee get-togethers, annual day followed by dinner with our people and their spouses and other such programmes.

We also celebrate different festivals and offer lifestyle management programmes like Yoga facility, along with an instructor.

As a part of the employee connect programme, we arranged Energy Cricket League (ECL) in December, where we had two participating teams. Besides, we also took part in ACL 2020 – a group-level cricket tournament and our AEML Team won the Championship Trophy of ACL 2020.



Employee Engagement Survey

We conducted an employee engagement survey based on the Global Standards of Q 12 suggested by Gallup, where over 85% of our colleagues participated. We scored more than 79%, which is the average engagement score for this survey. Our score was above 3.95 on a scale of 1 to 5, which surpassed 62 percentiles for a first-time company. With a engage-disengage ratio that is higher than the global benchmark, we have a favourably engaged workforce. As a result of the survey, we identified and organised two interventions - one at organisational level to address bottom three parameter and the other at manager level to focus on gaps.

We provide the necessary support and ecosystem to execute these activities, while keeping a close watch on the results.

The next survey will be conducted between December 2020 and January 2021.

People Approach Contd.

Rewards and Recognitions

We have a robust acknowledgement programme for our teams that rewards merit and celebrates success. They are listed as follows:

- **Employees Spot Recognition Scheme:** Promotes a sense of belongingness and motivation among our people by recognising and rewarding exemplary behaviour/ contribution instantly with a silver coin to celebrate the demonstration of positive behaviour
- **Long service awards:** Commemorate our colleagues who complete 10 years, 15 years, 20 years and 25 years of service with us

Succession Planning and Leadership Pipeline

We have a robust talent management framework for the Transmission business. This includes identification of critical positions, successors to critical positions and high-potential people in the organisation. Currently, all critical positions are occupied by competent talent, and we have successors available for these positions. Additionally, our multi-layered learning and development programmes facilitate the quick uptake of responsibilities among the successors.

Health and Safety

We undertake the health and safety of our people very seriously and have strong internal safety practices. Our safety policies focus on contemporary and relevant issues, as well as provide safety training. We also conduct regular safety audits of under-construction and operational sites. Additionally, our transmission business periodically communicates to our colleagues the need for safety practices and organises a monthly live call with the CEO.

57,236

MAN-HOURS OF SAFETY TRAINING
(16,300 MAN-HOURS OF SAFETY
TRAINING IN FY19)

Saraswati Samman

We recognise the achievements of our regular employees' children for their superior academic and sports performance by awarding scholarships. Academic score of 90% and above in the previous academic year from Class 1 to 12, and achievements in any sports category in a significant competition are the criteria for shortlisting the entries for this initiative.

Along with the award ceremony, we also provide a platform for children to showcase their talent. The event is organised across the major locations where children and their families are invited. From the Transmission business, we invited 25 families at Ahmedabad, and 23 families at other sites.

We are an ISO 45001 certified company with a strong safety record and our strategic objectives are aligned towards achieving zero fatalities as soon as possible. Primary safety risks at ATL arise from working at high-voltage substations or construction sites. With a safety culture deeply embedded in our DNA, we conduct an in-depth review of each serious safety incident to determine the reasons for the incident and how to avoid it in future. We have also mandated our sub-contractors to meet their safety requirements, concurrently developing technology options to monitor compliance.

During the year, we recorded 43 lost time incidents and one fatal incident. These incidents are investigated for finding the immediate cause and root cause. Based on the finding various actions have been implemented at ATL and also at Adani Group Level. For example, all electric connection were ensured through 30mA ELCB, Old generation hydra is banned, 360 degree swivel coupling between tractor and trolley and use of FRP Ladder across all substation. Further upgradation of permit to work system is in progress.

Safety Initiatives

Safe Patrika	A newsletter depicting the safety culture across the organisation, along with Occupational Health and Safety (OHS) performance and various initiatives taken during the year
Safe Diary	A ready reckoner comprising LSSR rules, ISO standards and other contents pertaining to safety for all employees
Safe Eye	Safety induction for all recruits for clear understanding of processes. Training on Gensuite reporting as well Conducting safe eye observation quiz on a monthly basis.
Safe Connect	<ul style="list-style-type: none"> On last day of every month, we organise a conference call for Team ATL to understand and share safety practices in projects O&M surprise check on safety preparedness and awareness
Safe Alert	Preparation and circulation of Health, Safety and Environment alerts on the observation analysis, incidents happened outside and across the organisation
Safe Activities	<p>Activities as per monthly schedule</p> <ul style="list-style-type: none"> HSE training HSE campaign HSE theme Field safety audit Cross safety audit Suraksha Samvaad at every site Mock drill Safety meetings
Safe Library	Online safe library created to provide 24 hours access to HSE alerts, safety videos, HSE training modules and other safety related materials. Implemented Governance & Processes for Safety at AEML to align safety practices at AEML with ATL & Adani Group

Other Industry Best Policies

We have employee-friendly policies that set industry benchmarks. We also make conscious effort to go beyond compliance requirements of Indian labour laws as well as aim to achieve global standards (e.g. ILO-recommended best practices). For instance, ATL extends maternity benefits to spouses of its employees. Some of our employee-friendly policies are as follows:

Relocation Policy: Our people are eligible for a one-time payment for settlement expenses (no proof required), apart from other benefits like Household/Personal Vehicle Transfer, Travel Expense, Brokerage and others.

- Paternity Leave Policy:** ATL team members are eligible for six days of Paternity Leave during their tenure, apart from other leaves like privilege leaves, sick leaves and casual leaves.
- Domestic Travel Policy:** Apart from grade-wise eligibility for train/air travel, if travel time by train is above 12 hours, then irrespective of grade, all our colleagues are eligible for air travel.
- Loan Policy:** This policy includes Housing Loan Interest Subsidy, Adani Employees Children Education Scholarship Policy, Employee Children Education Loan Subsidy Policy. These loans are based on the annual CTC of the employee and not his/her grade, which means the person with a lower CTC earns the maximum benefit.
- Employee Death Relief Policy:** We provide financial assistance to the family of our deceased colleague (natural or accidental) through this policy. Every ATL member contributes to this fund according to his/her potential and we add an equal amount of the collection for the nominee of the deceased.
- Insurance:** We provide Parents Critical Illness Policy for our colleagues' parents apart from Group Medclaim and Group Personal Accident policies for employees and family members.

Key Policies Applicable to Both Our Employees and Contract Workforce

S.No.	Name of Policy	Applicability of Policy on	
		Employee	Contractual
1	Code of Conduct for Employees	Yes	Yes
2	Sexual Harassment of Women	Yes	Yes
3	Human Rights	Yes	Yes
4	Whistle blower	Yes	Yes
5	Employee Volunteering	Yes	Yes
6	Employee Health Check Up	Yes	Yes
7	Group Guidelines on Gratuity	Yes	Yes
8	Employee Spot Recognition Scheme	Yes	Yes
9	Leave Policy	Yes	Yes
10	Local Conveyance	Yes	Yes
11	Group Telecom Policy	Yes	Yes

Social Approach

Fostering Community Cohesion

At ATL, we recognise our responsibility to leverage our scale and expertise to deliver positive and meaningful changes in the society. In alignment with the Sustainable Development Goals (SDGs), we engage with local groups and associations to implement targeted programmes that emphasise good health, quality education, sustainable livelihoods and community infrastructure.

We believe that when we help our communities address their most pressing challenges, we are assisting in making our society and, in turn, ATL more resilient. ATL has established a framework for identification of the community, evaluating the needs and implementation of CSR programmes. The philosophy is to collect the baseline, decide a 3-5 year goal and then implement the identified programmes. Midterm review is being done for course correction if required.

Over the last year, we have conducted an extensive social strategy exercise to chart the future course of our social initiatives. As an outcome of this effort, we are initiating significant focused efforts in 3 additional areas, where we are committed to having deep impact.

- a.) Education and awareness (Safety + Swachhagraha)
- b.) Creating opportunities for destitute women (Meri Sangini, Meri Margdarshika)
- c.) Skill building for women

With the acquisition of AEML, we are planning to incubate these initiatives in the city of Mumbai. ATL is using Adani Foundation's existing ground strength in the city and leveraging its experience to deliver lasting value from our initiatives.

Today, the Adani Foundation reaches 3.2 million people annually across 2,250 villages in 18 states of India. The Foundation's success story is crafted by the communities that have taken ownership of the initiatives, ensuring that the impact is sustainable.

During the year, the Adani Foundation has taken a leap towards developing an inclusive society. The Foundation focussed its attention on projects that benefit women, children, differently-abled people, SC/ST and tribal communities, fisherfolk and farmers by facilitating

quality education, enabling the youth with income-generating skills, promoting a healthy society and supporting infrastructure development.

Safety + Swachhagraha



The Adani Foundation is striving to create a culture of cleanliness across 19 states, by promoting personal hygiene and sanitation. With a team of more than 1,00,000 Swachhagrahis, the Adani Foundation reaches 26,50,000 students every month. Through students and teachers from more than 5,500 schools, the movement has reached over 12,50,00,000 people. The programme focuses on four key themes — waste

management and littering, sanitation, personal hygiene and toilet etiquettes.

Recently, the Adani Foundation and Adani Electricity Mumbai Limited (AEML), with support from the Brihanmumbai Municipal Corporation (BMC), launched the 'Safety + Swachhagraha' in 2,269 schools in Mumbai. The initiative empowers an active group of teachers who motivate students to be Swachhagrahis and inculcate hygienic habits, along with creating a sense of ownership for public spaces and their cleanliness. The programme also includes safety training for any kind of electricity accidents, natural and man-made disasters, fire, transportation, drinking water and other such emergencies.



2,269

SAFETY + SWACHHAGRAHA PROGRAMME LAUNCHED IN MUMBAI SCHOOLS

Meri Sangini Meri Margdarshika



In association with Adani Electricity Mumbai Limited (AEML), the Adani Foundation launched a new project — Meri Sangini, Meri Margdarshika at a ceremony in Aarey Colony, Mumbai. The project aims to encourage and nurture women leaders from within the community, who then become change makers in their surroundings. Meri Sangini, Meri Margdarshika is being implemented on a pilot basis by the Adani Foundation, the CSR arm of the Adani Group, in partnership with Haqdarshak in Tilak Nagar and Aarey Colony in Mumbai.

As a Sangini, the community volunteer is given knowledge and skills through trainings to act as a peer counsellor and advisor. Sanginis work on social issues like domestic violence, while acting as a bridge to connect the people with the government agencies and schemes.

Education

The Adani Foundation has helped realise the true potential of children by providing affordable education through cost-free or subsidised schools across India. It runs several smart learning programmes, besides projects that provide quality education across remote-area government schools. It also aids Aanganwadis and Balwadis by supporting their infrastructure development, which contributes towards creating a fulfilled environment for children.

1. Adani Vidya Mandir



The Adani Vidya Mandirs, currently operational in Ahmedabad (Gujarat), Bhadrashwar (Gujarat) and Surguja (Chhattisgarh) provide cost-free quality education to 2,209 meritorious students from the economically weaker sections of society.

Qualified staff, continual training and capacity building of the school staff ensure holistic development of the students' capabilities. The school provides the students with free education, along with uniforms, books and

Social Approach Contd.

stationery. They have created a benchmark in the cost-free model of education, as recognised by the Quality Council of India (NABET Accreditation).

Adani Vidya Mandir in Bhadrashwar, caters to children from the fisherfolk families, while the school in Surguja, reaches out to children in tribal communities. All three schools were recognised and appreciated at the recently held Samagra Shiksha Empowering Awards 2020, for their contribution to providing quality and value-based primary education to the underprivileged and for helping them realise their aspirations of studying in quality establishments.

2,209

MERITORIOUS STUDENTS
PROVIDED WITH COST-FREE
QUALITY EDUCATION QUALITY
EDUCATION

2. Adani-KISS Residential School, Baripada



Shri Naveen Patnaik, Chief Minister of Odisha, inaugurated the Adani-KISS Residential School at Baripada, Mayurbhanj district, Odisha, which is home to many tribal communities. The Adani Foundation has committed more than 15 crore towards the construction of the school with facilities like an administrative building, academic block, hostels for boys and girls, staff quarters and a dispensary.

The Adani-KISS Residential School will follow the state board curriculum and is a part of the Adani Foundation's vision of ensuring that every child receives equal opportunities for a brighter future. It will impart cost-free education to the underprivileged and tribal children, with a special emphasis on schooling girls.

3. Utthan



Project Utthan strengthens the three fundamentals of reading, comprehension and writing in students who are academically weak. The Adani Foundation has adopted government primary schools in the Kutch region to aid the teaching-learning experience through support from supplementary teachers called Utthan Sahayaks.

With a focus on Priya Vidarthi (students who are academically weak), the Foundation hopes to widen its reach to many government school students. Till date, 5,017 students from 24 schools across 35 villages are beneficiaries of this project. The project will impact more than 14,000 students across 95 schools by 2021. Following the success of the project in Mundra (Gujarat), a replica model was recently launched and expanded to Nakhatrana and Hazira (Gujarat) in November 2019.

5,017

STUDENTS BENEFITED THROUGH
PROJECT UTTHAN

Utthan Sahayaks, who are proficient in English and belong to the community, teach English in Classes I to IV, using a tailor-made curriculum. They also work on improving the reading, writing and numerical skills of Priya Vidarthi through customised teaching-learning methodologies. While Utthan Sahayaks are supplementary teachers, a capacity building programme is conducted for government-school teachers and principals, as well.

The Adani Foundation has been successful in creating awareness about the importance of education among the people in rural Kutch. Parents meetings are regularly organised to encourage their involvement in their wards' education. The teaching-learning process has shown improvement. Reading and writing abilities of the priya vidarthi have advanced from 35% to 61%.

while numerical abilities improved from 29% to 54%. The attendance of Priya Vidyarthi has increased from 28% to 62% and the drop-out ratio has reduced significantly.

Focus on science, sports kits and reading with weekly library activities ensure holistic development of students. Moreover, the Utthan Sahayaks have been successful in gaining the parents' trust and in encouraging them to send their children to school, without any gender discrimination. This has helped in bridging the gender gap and is starkly visible in the schools of rural areas.

4. Gyanodaya, Godda



In partnership with Godda District Administration and Eckovation Solutions Pvt. Ltd, Adani Foundation launched the Gyanodaya Project to promote e-learning through 'smart' classes. Run in 153 government schools in 2018-19, the programme covers Classes 6 to 12.

The smart classes focus on Science, Maths and English by using digital tools to facilitate smart learning for the children in Godda — a district that is declared 'aspirational' by Niti Ayog. It is one of the 115 such districts identified across 28 states for enhancement of the Human Development Index and reduction in the significant inter-state and inter-district variations in development.

Gyanodaya provides students with a tool to understand subjects through concept videos followed by the video quiz, subjective assessment and monthly tests. The content is vetted by the State Council of Educational Research and Training to conform its competency and alignment with the state school syllabus. In addition, a simple and effective mobile app was launched in the programme to give students instant access to doubt-solving.

In 18 months, Gyanodaya has been well-received by more than 250 schools, where more than 60,000 students are enrolled across the district. The project's commendable

performance and its enthusiastic reception ensures the numbers continue to grow by a good margin every week.

Consequently, in the Class 10 Board Examinations, the district improved its ranking from the 22nd position to the 13th position in 2019. Also, in 2019, Godda district secured the 3rd position with 90.58% passing percentage in the first-ever Class 8 Board Examination; 7th position with 91% passing percentage in the first-ever Class 9 Board Examination; 1st position in Santhal Parganas in Class 8 & 9 Board Examinations 2019.

With the use of cutting-edge technologies like Virtual Reality, Gyanodaya classes have revolutionised schooling in the district and set high benchmarks of technological intervention in education.

60,000

STUDENTS ENROLLED UNDER
GYANODAYA PROGRAMME

5. Aamchi Shala Adarsh Shala



Aamchi Shala Adarsha Shala is a competition driven initiative held in the schools of Tiroda and Gondia, Maharashtra, impacting students of more than 400 schools in the past three years. The main objective of this initiative is to keep motivation levels high in these schools through promotion of innovative ideas, thereby enhancing the quality of education.

The competitive spirit of the programme motivates the schools to excel, effectively spreading awareness about the importance of quality education and mobilising the community. With active involvement of teachers, SMC, Gram Panchayat members and the Foundation team, we have improved overall education experience for government school students in Tiroda.

Social Approach Contd.

Through constant evaluation, Adani Foundation ensures that the objective of fulfilling 41 parameters under 11 heads, on which the competition is judged, are met by the participating schools, and this has led to an overall ground impact.

Looking at the keenness of students for going to a private school, Adani Foundation is involved in the Aamchi Shala Adarsha Shala programme to elevate the standard of education imparted in government schools.

The Foundation's intervention in the block resulted in 5-fold increase in the average number of students shifting from private to government schools. Student participation in competitive examinations has increased to more than 75% over the last two years, indicating the success of this programme in these regions.

6. Digitalisation of Schools



Information Technology have greatly influenced both the learning process and the teacher/student participation at all levels of education. They help adopt contemporary teaching techniques through multimedia platforms. Digital tools are helping introduce modern teaching elements in presentation, interpretation, and understanding of subject matter. Compulsory classes on informatics at primary and secondary schools is gradually changing the approach of teachers and students to the usage of advanced technologies in the preparation and implementation of the learning process.

Company has installed E-Learning kits in 31 Zilla Parishad Schools in Dahanu and provided desktops in Sami village areas.

In FY19-20, eight kits were installed in November and December in Zilla Parishad Schools.

Objectives:

- Students are more engaged and able to develop skills
- Teachers can provide more personalised learning
- Communities benefit from bridging the digital divide, especially economically disadvantaged and especially abled students and children.

7. Sponsorship for Notebooks



Every year Adani Electricity Mumbai Limited (AEML) distributes notebooks at concessional rates to needy students. More than 1,500 students have benefitted so far, of which around 1,280 are from Zilla Parishad Schools. The primary objective is to ensure that their schooling is not affected by the lack of educational materials.

1,280

STUDENTS RECEIVED SUBSIDISED NOTEBOOKS AT ZILLA PARISHAD SCHOOLS

8. Felicitate Teachers



AEML and the Rotary Club of Dahanu have been felicitating five of the best teachers in Dahanu Taluka on Teacher's Day. These teachers are from Anganwadi, primary, secondary and higher secondary schools. A committee headed by Mr. Rajendra Nandi, Chief Operating Officer ADTPS, with two representatives ADTPS, two from the Rotary Club and one from Block Education Office, selects the awardees every year by reviewing all nominations, visiting nominated teachers' schools, and conducting interviews.

9. Sponsorship for Dahanu Taluka Science Exhibition



AEML has been sponsoring the Dahanu Taluka Science Exhibition aimed at primary and secondary students. The Exhibition is organised in November-December every year. More than 500 students from Dahanu Taluka participate in this event.

10. Distribution of uniforms to Anganwadi Children



Since last 7 years, ADTPS has been distributing uniforms to Anganwadi children in Dahanu Taluka. To date, 8,430 children have benefited through this initiative.

The economic backwardness of Dahanu Taluka discourages families from their children to school, as they consider it an additional expense. This project has two dimensions – instil discipline and self-esteem school children and increase attendance in the centres (lower dropouts).

Health

Bringing healthcare to the remotest regions of India, the Adani Foundation's key focus is improving access to quality healthcare services for people belonging to the weaker sections of the society. In this pursuit, it runs Mobile Health Care Units (MHCUs), hospitals and clinics across the nation. The Foundation organises general as well as specialised health camps. Another significant step in increasing healthcare support across the country is that it extends special support to the differently-abled and the elderly, thereby prioritising initiatives where most needed.

1. Gujarat Adani Institute of Medical Sciences (GAIMS)



GAIMS is the first-ever Public Private Partnership (PPP) endeavour between the government of Gujarat and Adani Education & Research Foundation. It is the only medical college and multi-specialty modern district hospital in Kutch district. Under this unique PPP model, a high-tech medical college was established in 2009 in Bhuj.

GAIMS is part of Adani Group's Corporate Social Responsibility initiative and is managed by the Adani Education & Research Foundation, under the aegis of the Adani Foundation.

The G.K. General Hospital (GKGH) has a 750 bed capacity, 14 operation theatres, 58-bed Intensive Care Unit (ICU), 1.5 Tesla MRI machine, 16 slice CT Scan machine

Social Approach Contd.

and other infrastructure facilities required for being a frontline modern multi-specialty district hospital.

GKGH is associated with GAIMS as a teaching hospital. The campus is spread across 27 acres of land, in the middle of Bhuj city and consists of a teaching hospital, medical college, hostels for undergraduate and postgraduate students and residential quarters for staff and government offices.

The hospital aims at offering the best in patient care and is equipped with technologically advanced healthcare facilities. A team of well-trained medical staff, non-medical staff and experienced clinical technicians work round-the-clock to offer various services, making GAIMS a sought-after hospital in Bhuj.

GKGH is the only referral hospital in Kutch district and is often considered the last word in medical care by patients arriving from its farthest corners.

2. Health cards, camps and Mobile Healthcare Units (MHUs)



The Vadil Swasthya Yojana benefits senior citizens from socio-economically marginalised sections. Senior citizens with family income below 2 lakh per annum are provided green cards to avail free healthcare services amounting to 50,000 for three years, while those with family income above 2 lakh per annum are given blue cards to avail healthcare services at the Adani Hospitals at highly subsidised rates.

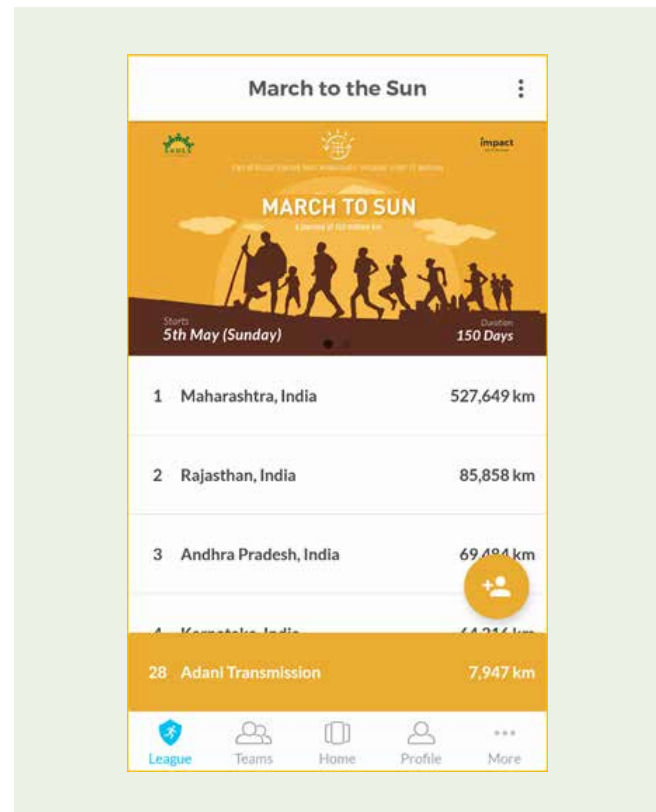
Various seasonal/need-based health camps are organised at regular intervals to meet the specific needs of the community. The Foundation conducts camps on gynaecology, blood donation, eye check-up, awareness about government schemes and other — to deliver medical services to remote areas. The camps treat ~51,000 patients annually, on an average.

There are 14 rural clinics run at various locations providing timely services to ~30,000 patients annually, on an average. The Foundation also operates Mobile Health Care Units (MHCUs), delivering on-the-spot medical assistance to patients in regions where medical facility is not available. At present, 17 MHCUs across the nation attend to 4 lakh people annually on an average.

30,000

PATIENTS PROVIDED WITH
TIMELY SERVICES THROUGH
14 RURAL CLINICS

3. Just Walk/Run to Donate Mobile app



Adani Transmission Limited collaborated with IIT Bombay to sponsor walks and jogs through a mobile app, Impact: Fitness & Charity. Just Walk/Run to Donate. It is a simple, yet efficient, walking distance tracker and step counter offline app that enables a person to measure his/her walk, jog, run, and calories, while contributing to the community. It is a user-friendly app on the concept of charity with each step. Every mile that is walked or run for fitness funds a non-profit agency to drive its on-ground projects in charity. It offers an opportunity to walk for a brighter future for the children as well as the world.

4. Installation of drinking water filtration units



Villages near ATL establishments do not have access to clean drinking water, as the ground water under land was of poor quality. Some of the villagers had to walk 3 to 4 kilometres to fetch drinking water. Company has installed industrial drinking water filtration plant and RO systems as per requirement in the villages and schools.

MORE THAN 5,500

PEOPLE BENEFITED FROM DRINKING WATER FILTRATION UNITS

Sustainable Livelihood

The Adani Foundation drives sustainable livelihood generation with its core belief that a society of empowered individuals, who enjoy a decent standard of living, create overall prosperity and contribute to the development of the nation. The Foundation builds social capital by promoting Self-Help Groups (SHGs),

supporting initiatives towards preservation of traditional art and organising skill development training. Specific programmes are designed for fishermen communities, farmers and cattle owners, youth and women.

1. SRI Plus



As the world witnesses changing weather patterns due to global warming, farmers in India are among the most adversely affected. In areas where rice is cultivated, lack of rain can result in the reduction of income or even loss of livelihood for the farmer. Moreover, traditional paddy cultivation input cost has increased significantly due to the heavy use of chemical fertilizers and pesticides.

Helping the farmers in Tiroda to substantially increase rice production and reduce water consumption, the Adani Foundation is training them in the System of Rice Intensification (SRI) technique. A low-cost, low-water dependant and less labour-intensive technique, it uses younger seedlings singly-spaced, parallel to the rope. Since SRI is an agro-ecological methodology to increase the productivity of irrigated rice fields, it not only reduces the expense on chemical fertilizers and pesticides, but also improves crop quality while maintaining soil nutrition levels.

2. Wasteland Development



Social Approach Contd.

The Adani Foundation team in Kawai, Rajasthan introduced the wasteland development project backed by community support from Kunjer village. The project for development of grazing land was initiated along with the Kunjer Gram Panchayat, with prior permissions from the district administration.

This would not only be environmentally sustainable, but would also generate sustainable livelihood opportunities, as the grazing land would fulfil the urgent need of water and fodder for cattle. The community was involved from the beginning by institutionalising a Village Management Committee (VMC). Approximately 12,500 trees were planted on a 14-hectare wasteland for the development of grazing land, which now provides the opportunity of earning daily wages from MGNREGA to more than 45 persons. After completion, the project and its assets were transferred to the village panchayat for operation and maintenance. The project sets an example for generating fodder and livelihood security from a barren wasteland, all the while benefitting the ecology in multiple ways.

3. Integrated Tribal Development Project



AEML, in association with NABARD, initiated a programme, Integrated Tribal Development Project, in select villages of Dahanu Block. This project facilitates the economic upliftment of 1,000 land-owning tribal families over 7 years by developing 1 acre 'wadi'. The programme also benefits at least 100 landless families with livelihood support by provisioning carpentry, aata-chakki, saloon, sewing machines, goat-farming, among others.

Quote from the Beneficiary

"Kanchan, who used to work as daily labourer in a chikoo farm, said that the tailoring training received at Adani Dahanu Thermal Power Station helped her get a very good job in the garment industry with a satisfactory salary. "I am very thankful to the ADTPS team for providing training free of cost to the tribal youth, making them readily employable".

Community Infrastructure

Community development infrastructure provides access to resources, including potable water, quality healthcare services and increase in the avenues for developing livelihoods, among others, which lead to better productivity, reduction in morbidity and adequate employment. Recognising the government as a key provider of basic infrastructure facilities, the Foundation endeavours to bridge the gap between facilities and requirements at the grassroots level, with need-specific and responsive activities.

1. Water Conservation





The Adani Foundation engages in active collaboration with the beneficiaries and government bodies to develop and implement techniques for collection and storage of rainwater in Kutch district. The direct beneficiaries of the project are farmers and women, who are most involved with water usage and interact with the water resources daily.

75 borewells have been recharged in four villages in Kutch district as part of the project, and they cater to 85% of the annual water requirement of a household and even irrigation in some cases. The recharge of the borewells has also led to reduction in Total Dissolved Solids (TDS) level, improving both quality and quantity of crops.

75

BOREWELLS RECHARGED IN FOUR VILLAGES

The Adani Foundation also completed 54 rooftop rainwater harvesting projects in the villages of Kutch and each project has a storage capacity of 10,000 litres.

Additionally, the Foundation has constructed 22 check dams, revived 360 farm ponds and deepened several streams across various geographies. This helped increase the water storage capacity to 78,34,050 m³ and the water table has risen by ~4.2 ft over the last five years.

Adani Skill Development Centre (ASDC)

ASDC, a not-for-profit company, is India's first skills training centre to impart courses like 3D printing, simulator-based crane operator and welding through augmented reality-based simulator. The major areas in which ASDC imparts training are digital literacy,

general duty assistant (GDA), self-employed tailor and sewing machine operator, beauty therapist and assistant electrician. The training imparted prepares the beneficiaries for working in IT, healthcare, apparel, beauty and wellness as well as construction sectors. The initiative also trains marginalised groups like widows or specially-abled people (Divyang).

In its three and half years of operations, ASDC has trained 50,000 people for various skills and generated 65% livelihood through 45 courses in nine states.



During the year, 113 people were provided training at Dahanu on tailoring and stitching; of the total, 99 got employed in the garment industries in Dahanu, Boisar and Umbergaon, while a few set up their own business. To date, 1,156 have been trained, of which 1,063 got employed.

1,156

TRAINED TILL DATE THROUGH SKILL DEVELOPMENT PROGRAMMES AT DAHANU

Phoolo Jhano Saksham Aajeevika Sakhi Mandal, ASDC's vocational training initiative in Godda Jharkhand operates in 17 locations, and has benefited 1,600 women, of Godda, who have been trained in stitching and tailoring. The Adani Foundation, with support from the district administration of Godda, has set up three mega garment production hubs, where these women stitch items like school uniforms and bags, among others. The state government has entrusted these tribal women with the responsibility to produce school uniforms for all children attending government schools in the district in the next five years. This order is worth more than ₹ 50 Crores.

Social Approach Contd.

ASDC is also reviving handicrafts to preserve the culture of the area. It has played a crucial role in reviving SUF and Namda handicrafts in Mundra, Gujarat, under the Aarambh programme by training a group of women from the community. Marginalised groups like young widowed women in Bhuj, Gujarat, are trained in Patient Care and Assistance (General Duty Assistant Course) and have been successfully placed in reputed hospitals. It has also trained the marginalised sections like the physically challenged (Divyang) and widows.

Udaan



The Udaan project is geared towards motivating students and encouraging them to achieve excellence as well as inculcating an entrepreneurial spirit in them. Under this project, a two-day exposure tour is organised, wherein school and college students visit the Adani Group's business establishments in Mundra and Hazira in Gujarat, Dahanu and Tiroda in Maharashtra, Kawai in Rajasthan, Dhamra in Odisha and Udupi in Karnataka to gain insight about its operations.

3,262

STUDENTS FROM 68 COLLEGES VISITED DAHANU POWER STATION

Participation in Gandhi Global Solar Yatra



Lack of affordable energy and energy accessibility are major challenges of the modern world. Energy is core to every environment, economy and a social issue. As a part of the Gandhi Global Solar Yatra to promote the idea of Energy Swaraj, Adani Transmission Limited contributed to the Student Solar Ambassadors Workshop. Working in collaboration with IIT Bombay, the activity was carried out at 10 Schools of the SS O&M sites covering the areas of Mahendragarh, Sami, Morena, Birantiya Kalan and Pali.

Activities conducted

- Training to teachers
- Training to students
 - Solar lamp component
 - Usage of multimeter
 - Testing and troubleshooting of solar panel
 - Solar Circuit and batteries
 - Assembly of solar lamp kit

The Company distributed 1,327 solar lamps to promote the use of solar lamps and green energy in the society. It also inspired students to promote the use of solar energy among their family members.

1,327

SOLAR LAMPS DISTRIBUTED

Make India Capable








ATL joined hands with an NGO Head Held High for make India Capable (MIC) initiative. MIC is an initiative that transforms illiterate villagers into capable workers. It creates employment and business opportunities through uniquely designed life-skills training programmes that are scalable and sustainable.

During the year, one centre under this programme at Pali, Rajasthan was established. In the first batch 20 beneficiaries, mostly women were mobilised for Make India Capable programme. All the women come from Below Poverty Line (BPL). The women and their families are predominantly engaged in tailoring and bangle making.

Supporting the UN Sustainable Development Goals (SDGs)

ATL is committed to the UN SDGs for the 2015 to 2030 period. We have incorporated them into our sustainability and stakeholder engagement framework, and have prioritised the various SDGs, based on what we believe would be our contribution to them:

SDG	Importance	Initiatives
	Ensure inclusive and quality education for all and promote lifelong learning	Provided support to schools through digitalisation, teacher's awards etc.
	Ensure availability and sustainable management of water and sanitation for all	Worked for water security by providing RO in Schools and villages. We are also working to rejuvenate the lakes near our operational area to support the society for their water requirements. Safety + Swachhagrah focusses on building awareness about general safety and cleanliness among school students
	Ensure access to affordable, reliable, sustainable, and modern energy for all; increase share of renewable energy; and double the global rate of improvement in energy efficiency	Contribution to the Student Solar Ambassadors Workshop as a part of Gandhi Global Solar Yatra by IIT Bombay to promote the idea of Energy Swaraj
	Promote sustained, inclusive, and sustainable economic growth; full and productive employment; and decent work for all	We have a Skill Development Centre at Dahanu and will be starting a Skill Development Centre at Mumbai, with a focus on destitute women
	Make cities and human settlements inclusive, safe, resilient, and sustainable	We support the livelihood of land-owning tribal families and landless tribal families near our Generating Station. The Meri Sangini Meri Margadarshika programme creates and nurtures women leaders from the community to become changemakers and work on social issues like domestic violence

Vendor Management

Build Better Relationships

The success of our business operations in driving efficiency is based on a reliable and sustainable supply chain. Vendors play a significant role as partners in delivering quality projects in a cost-effective and time bound manner.

As an organisation committed to sustainability, social and environmental performance of our vendors is as critical to us as the best quality of service. A structured and uniform supply chain management process helps us to manage the Environmental, Social, and Governance (ESG) performance of our suppliers. Our newly implemented onboarding vendor process incorporates pre-qualification criteria, including credentials and capability to execute assignments, adherence to safety and environmental

norms and, compliance to statutory requirements. Once, the vendor is successfully onboarded, we audit the vendors on a rotational basis, which ensures no pre-emptive risks surface. Quarterly score cards are maintained which includes various parameters such as delivery, performance, quality, safety, environmental, management systems, past supply record, custome feedback etc.

Assessment Criteria



Our key vendors are mainly divided into three categories:

- Supplier for supply of key materials for Projects and O&M
- Contractors for civil construction works
- Contractors for transmission line and substation on turnkey basis

FY20 Key Supplier Data		
Suppliers Screened	New	247
on ESG Parameters	Existing	1,879
Suppliers Audited	New	375
on ESG Parameters	Existing	4,696

We understand that some of our vendors are low scale and investments required to ensure compliance to environmental and social norms may be a concern. Therefore, we invest and handhold our vendors to abide by the requirements. To build a sustainable business relationship with vendors, we also provide feedback for improvement.

In the present context of global economy and local business, we understand the standardisation and digitisation of processes is of utmost importance. We adopted DISHA and AGILE, business transformation processes, to develop a common vendor base across the Adani Group companies. This enables us to manage performance and engagement levels of all vendors across the group companies.

Vendor Engagement Activities

Building harmonised relationship with vendors is our priority. ATL has a robust process of engaging with vendors on a regular basis to update on the latest policies of the organisation, provide feedback of improvement and address any concerns.

A formal stakeholder consultation was conducted with 52 vendors to support our Annual Materiality assessment process. The responses gathered were analysed to identify concerns and a plan of action was devised.

A vendor meet for ATL business vendors was organised on 2nd December 2019 on the theme "Value Co-creation with Collaboration". The meet saw participation of 50 vendor representatives from 23 key vendors, including that of transmission line and substation EPC and manufacturers of equipment. Representatives were enlightened on key expectations of ATL, technology partnership, systems and process automation, innovation, ethics, asset light concept and ESG.

The major takeaway from the meet are as below:-

- 1) Standardisation of 'Conditions of Contract'
- 2) Shared Tariff Model with Vendors
- 3) Vendor Financing
- 4) Seminars on Technical Initiatives at Adani Corporate House
- 5) Good Practices



Procurement Practices

We adopt backward integration practices to optimise the cost of raw materials, especially tower parts and aluminium conductor and to have better control over quality and delivery. The conversion model enables us to strategically procure raw material at best price and with lower carbon footprint from the logistic point of view. Further, based on the market trend, past data and future projection, we take a strategic call for forward positions of Aluminium Ingot and Zinc and entered a Memorandum of Understanding for steel, etc. to mitigate the price escalation risk and to optimise the overall project cost.

Procurement Expenses (FY20)

	In Crores
Total Procurement Budget (Service & Material)	4,868.74
Total Domestic Procurement	4,604.03
Total Amount on Imports	264.71

During the year, we spent nearly 94.56% expenditure for domestic procurement and remaining 5.44% on import.

AEML: Integration into Distribution Sector

Energising Mumbai. Enriching Lives.

Adani Electricity Mumbai Limited (AEML), was formed after the acquisition of Reliance Infrastructure Limited's integrated Generation, Transmission and Distribution utilities. AEML's distribution network spans over 400 sq km, catering to electricity needs of over 3 Million households from Bandra to Bhayandar on the western side, and Sion to Mankhurd on the eastern side. AEML is proud to serve as Mumbai's primary electricity supplier.

AEML is one of the first utilities in India to have the most advanced SCADA technology, which enables the system to deliver a seamless integrated platform with Geographical Information System for providing consumers with enhanced and superior service standards. AEML's unmatched service portfolio reflects its customer centricity in the form of multilingual bills, more than 2,000 payment avenues, 24X7 multilingual toll-free number, modern customer care centres and a bouquet of technology-driven value-added services.

- Operating in gateway city of Mumbai**
- Among the top 10 centres of commerce in the world
 - 6% of India's real GDP
 - 4x per capita income of India

- Stable and evolved regulatory regime**
- AEML witnessed regulations since 1956
 - 17 years of regulatory orders under current Electricity Act 2003
 - MERC focus on high quality of supply

- Focus on sustainability**
- ~30% renewable procurement by FY22
 - ~50% targeted renewable procurement by FY25

Key Characteristics

Area (sq km)	400
Connected households (Million)	3.05
Max. demand (MW)	1,964
Sales in MUs (including wheeling)	10,327
Consumption/consumer/month	282

Performance Parameters

SAIDI (# min/consumer/year)	39.15
SAIFI (# events/consumer/year)	1.24
CAIDI (SAIDI/SAIFI)	31.46

SAIDI – System Average Interruption Duration Index
SAIFI – System Average Interruption Frequency Index
CAIDI – Customer Average Interruption Duration Index

FY20 Highlights

- Qatar Holding LLC, a 100% subsidiary of Qatar Investment Authority (QIA), signed definitive agreements with ATL for the sale. Qatar Investment Authority invested ~3,220 Crores for a 25.10% stake in AEML and for shareholder subordinated debt in AEML
- Completed first-ever USD bond issuance by a private integrated utility from India, raising \$ 1 Billion at 3.949% coupon with a bullet maturity for a tenure of 10 years. The issue generated significant interest from international investors and was oversubscribed 5.9x
- Capex plans drawn up at AEML Mumbai Distribution business, and rolling capex facility of \$ 400 Million has been tied-up

Initiatives Undertaken to Enhance Efficiency, Productivity and Optimisation

- Implementation of Advanced Distribution Management System (ADMS) which will study:
 - Network connectivity/reconfiguration
 - Load flow
 - Fault isolation/restoration
 - Loading optimisation for reducing loss
- Replacement of all 33kV and 11kV Paper Insulated, Lead Covered (PILC) cable network with Cross-linked polyethylene (XLPE) cables of higher sizes
- Replacement of oil-type Ring Main Units (RMUs) with maintenance-free, dry-type RMUs (SF6, vacuum)
- Implementation of Smart Metering
- Implementation of Substation Equipment Parameters Monitoring System

Conversion to Smart Meters

- AEML - Distribution has shared its plans with the MERC for converting existing meters into smart meters in a phased manner, adopting digital payments and outsourcing for enhanced efficiency.
- Upgradation of consumer meters to smart meters will improve the accuracy in billing through minimisation of manual interventions.
- Enable online recording of energy consumption and provide the information to consumers on a real-time basis.

Sustainability Strategy

AEML recognises the importance of taking a long view to create a sustainable energy future. We are committed to staying ahead of the curve and be a sustainability leader in our industry.

We are committed to achieving excellence in environmental performance, preservation and promotion. The MERC has granted approval for procuring 700 MW of hybrid (wind and solar) power from fiscal FY22 onwards for 25 years at ₹ 3.24 per unit with a guaranteed capacity utilisation factor (CUP) of 50%.

AEML is committed to increasing share of renewable power procurement from current 3% to 30% by FY22 and 50% by FY25

- signed a hybrid (solar+wind) 700 MW PPA with minimum guaranteed CUF of 50%

We are undertaking the following initiatives across AEML business:

- Usage of environment-friendly dry and ester oil transformers
- Oil-type switchgears to be replaced by dry-type, maintenance-free switchgears
- LED lamps for streetlights, reducing carbon footprint

AEML: Integration into Distribution Sector Contd.



“AEML is powered for tomorrow: committed to creating dependable, cost-effective and innovative electricity solutions to power a sustainable future. We continue to believe in the resilience of our business and remain committed to our investor community. I am delighted to say that our business strategy, and the governance framework we utilise to provide oversight and stewardship to the Company, have enabled considerable progress towards meeting our goal of being a reliable, responsible and sustainable power supplier. We stay committed and shall continue to play our part as a responsible corporate citizen in support of our community, local administration and all our stakeholders.”

Kandarp Patel
CEO, AEML

Sustainability Initiatives

- Power procurement from renewable energy (RE) sources
- Use non-carcinogenic biodegradable silica gel in our transformers
- Replacement of HPSV lamps with LED lamps in streetlights
- Replacement of petrol/diesel vehicles with electric ones in our fleet
- Replacement of oil-type switchgears with dry-type, maintenance-free switchgears
- Use of environment-friendly ester-filled transformers
- Support to consumers for installation of roof-top solar panels to reduce consumption of conventional energy
- Compliance with all statutory requirements, environmental regulations and quality standards prescribed by the Government of India (GoI) from time to time

We actively engage with our consumers to address any concerns they may have with respect to their energy needs, be it installation of rooftop solar panels, a better understanding of their energy consumption patterns or promoting the use of energy-efficient appliances.

As an Integrated Management Systems certified company, we ensure that the three critical management systems — quality, environment, and health and safety are voluntarily implemented and audited. We have obtained appropriate licences for the handling of hazardous wastes and ensure due compliance with all environmental regulations while dealing with such wastes.

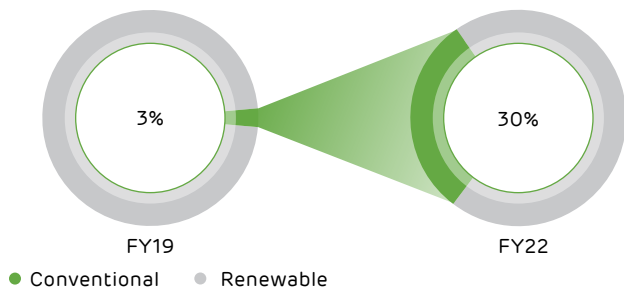
As part of our commitment towards environment protection, we regularly conduct tree plantation drives and have implemented energy conservation measures such as nanomolecular thermo conductive additive treatment for our air-conditioning system which has been certified by the Electrical Research and Development Association, Vadodara (ERDA), and replacement of conventional T8 tube lights and sodium vapour lights with LED lights. Further, we plan to create an internal framework to enable social competition for energy efficiency among our consumers.

Initiatives Towards Reduction of Carbon Footprint

Renewable Power

- 30% of consumption from renewable sources
- Committed to increasing share of renewable power procurement from current 3% to 30% by FY22 and 50% by FY25
- AEML has signed a hybrid (solar+wind) 700 MW PPA

% Power Procurement from different sources



Climate Awareness

Environmentally Compliant Generation at ADTPS

100%	Fly ash utilisation
95%	Decarbonisation capex at AEML in FY20
FGD	First FGD installed in India
Washed Coal	100% mix of higher quality and cleaner washed coal

Transmission and Distribution

Ester	Environment-friendly ester-filled transformers
Switchgears	Oil-type switchgears replaced by dry-type maintenance-free switchgears
LED	LED lamps for streetlights reducing carbon footprint



Electric Vehicle and EV Charging Station

AEML has deployed six electric vehicles, one E-Verito (sedan) and five e-Supro (passenger vehicles) to carry out its network management activities since 2018. We have set up Electric Vehicle Charging Points at eight strategic office locations for our fleet.

Adani Electricity Management Institute Santacruz Electronics Export Processing Zone (SEEPZ). Mass-Tech Controls and Charge Zone have installed 150 KW EV Charger for electric buses at the Khatau mill compound, Borivali East.

AEML: Integration into Distribution Sector Contd.



EV Charging - Building a Closed-Loop Infrastructure

Eight stations accessible to both public and ATL were set-up across the city with M/s Mass Tech Controls having the ownership and maintenance rights and Adani Electricity Mumbai Limited supplying the power.

- MIDC, Andheri office (AC Slow Charger Type-2)

- Kalanagar R/s (BKC) (DC Fast Charger with Bharat DC – 001)
- AEML (DC Fast Charger with Bharat DC – 001 & AC Slow Charger with Bharat AC – 001)
- Devidas Lane (EV Charger installed inside office premise)

Going forward, ATL will holistically support the green mobility initiative and build its presence in the segment

Demand-side Management

Energy consumption in the last century has grown many folds. Although we are in a business of supplying energy, it is also our responsibility to encourage our customers to make smart energy choices.

We have been actively engaging with our customers to reduce their energy consumption. These programmes are designed to reduce power loads on the grid by providing financial incentives as well as build awareness to encourage more efficient energy use. Success of our programmes rely on the voluntary adoption of energy-saving and efficiency measures.

This is a win-win situation for all, as it helps us reduce the load during peak time and consumers to lower their energy bills.

We continued to have progress on our initiatives including the ones that offer financial incentives to switch to more-energy efficient appliances.

Young Energy Savers (YES) shines brightly across 220 schools and lakhs of houses

Exchange your old refrigerator and get discount up to 47%

How do you decide which energy-efficient products to choose


Exchange your old ceiling fan for a new 5-star rated fan

MERC Approved Scheme


Sr No.	Programme	Savings in FY20 (MU)
1	BLDC Fan	0.0648
2	Refrigerator (20,000)	0.49
3	DELP-7w bulb	1.68
4	UJALA-9w bulb	1.08
5	UJALA- 20 w Tube light	0.29

Yes Programme


The Young Energy Savers (YES) programme was initially conceptualised to drive informed energy usage decisions at a household level by creating awareness among children. The programme comprised various activities such as walkathons, marathons, radio contests, and art competition, among others. Soon the initiative turned into a movement, with more than 2,20,000 young energy conservers onboard, representing 271 schools. It went digital for the first time in 2010 and has its own anthem. The initiative received the Best Asian Customers Engagement Award in 2014 and made it to the Guinness World Records.




271
SCHOOLS



2,20,000
STUDENTS REACHED



3,17,000
COMMUNITY



4,511
YOUTUBE VIDEOS

Future Strategy

Continuous capex to ensure sustainable, reliable and affordable power supply

- Reliability – Capex for asset hardening and modernisation
- Reliability – Investment in modern O&M practices for achieving lower SAIDI and SAIFI
- Reliability – Protection against outages due to adverse events
- Affordability – Maintain tariffs at affordable levels for consumers
- Sustainability – New fixed PPA for procurement of 700 MW hybrid power at ₹ 3.24/unit for 25 years

Awards and Recognitions

1

7th FICCI Quality Systems Excellence Awards for Industry: AEML-Transmission conferred with the Platinum Prize (1st Prize) in Medium category in the Power Sector



2

Performance Award-5S: AEML-T conferred with 'Par Excellence' Performance Award in 5S National Conclave



3

CCQC 2019: All 4 teams won Gold trophy. 'Pratirodh'-TFM team from AEML-T received 'Best Case Study of the Day' award



4

Compliance 10/10 Awards: Mr. Vivek Pathak received 'Excellent Performers 2019' award at 6th Annual Compliance Award Ceremony held by Legatrix



5

NCQC 2019: 3 teams received 'Par Excellent' and one team received 'Excellent' award



6

Best Performing Coordinator Award-2019: Mr. Kuvarsing Rajput was conferred as one among 8 'Best Performing Coordinator Award-2019' across India. Recognised by M/s QCFI for his consistent contribution over the years in developing and motivating the teams, spreading and sustaining the various quality concepts and initiatives across Mumbai Transmission Business



7

5S Certificate: Transmission-TLM Dahanu and Capex Store received 5S Certificate for successful implementation of 5S Workplace Management System



8

ISO 27001 Certificate: AEML-T bagged ISO 27001 Certification for an Information Security Management



Conversion Factors and Assumptions

SL.	Parameters	Conversion Factors/ Assumptions
1	Energy	1KWh= 3.6×10^6 Joules
2	GHG Emissions	Diesel- 2.68779 tCo ₂ e /Kl LDO- 2.62694 tCo ₂ e /Kl Petrol- 2.3053 tCo ₂ e /Kl SF6 - 22.8 tCo ₂ e /Kl R-22- 1.81 tCo ₂ e /Kl Electricity generated from thermal power generation- 0.95 tCo ₂ e/MWh Purchased electricity from the grid- 0.82 tCo ₂ e/MWh Emission Saving from Solar Power Generation- 0.86 tCo ₂ e/MWh 10 KMs/ litre: Mileage has been taken for diesel used by contractor vehicles 3 KMs/ litre: Mileage has been taken for Contractor Vehicles for Material Transport
3	Water	Water Consumption for Concrete: For M20- 27.5 L per Cum For M10- 34 L per Cum Water either by Meter Reading or Pump Running Hours X Pump Capacity or Nos. of Tankers X Tanker Capacity
4	Waste	Used Oil Drum Scrap- 50 Kg/ Unit Used Transformer Oil/ Used Spent Oil- 860Kg/Kl Insulator Scrap- 75 Kg/ Unit. Used Battery Scrap- 50 Kg/ Unit

Reference:

- 1) https://www.carbonfootprint.com/docs/2018_conversion_factors_2018__full_set__for_advanced_users__v01-00.xls
- 2) http://cea.nic.in/reports/others/thermal/tpece/cdm_co2/user_guide_ver14.pdf

Conversion Factors and Assumptions Contd.

Glossary

Abbreviations Used

DNA	Deoxyribonucleic Acid
ELCB	Earth Leakage Circuit Breaker
EPC	Engineering Procurement Construction
EV	Electric Vehicles
FGD	Flue Gas Desulfurization
FRP	Fiber Reinforced Ladder
GIL	Gas Insulated Transmission Line
GIS	Gas Insulated Substation
GJ	Giga Joules
HVDC	High Voltage Direct Current
ILO	International Labour Organization
KL	Kilo Litre
kV	Kilo Volt
LEC	Licensed Electrical Contractor
LED	Light Emitting Diode
LSSR	Life Saving Safety Rules
mA	Milliampere
MERC	Maharashtra Electricity Regulatory Commission
MT	Metric Tonnes
MUs	kWh in million units
MVA	Mega Volt Ampere
MW	Mega Watt
MWh	Mega Watt Hours
NO _x	Nitrogen Oxide
OEM	Original Equipment Manufacturer
PILC	Paper Insulated Lead Sheath Cable
PLS	Power Line System
PM ₁₀	Particulate matter 10 micrometers or less in diameter
PPA	Power Purchase Agreement
R&D	Research and Development
RE	Renewable Energy
RFI	Request for Information
RFP	Request for Proposal
RWS	Rain Water Structure
SDGs	Sustainable Development Goals
SF ₆	Sulphur Hexafluoride
SFQP	Standard Field Quality Plan
SOP	Standard Operating Procedure
SO _x	Sulphur Oxide
SQP	Standard Quality Plan
SS	Substation
tCo _{2e}	tonnes of Carbon Dioxide Equivalent
USD	United State Dollar
XLPE	Cross-linked Polyethylene

Independent Assurance Statement on Non-Financial Reporting

Overview

About ATL

Resolute

Robust

Responsible

Statutory Reports

Financial Statements

Scope and Approach

DNV GL represented by DNV GL Business Assurance India Private Limited ('DNV GL') was engaged by Adani Transmission Limited ('ATL', Corporate Identity Number L40300GJ2013PLC077803) to undertake an independent assurance of the Company's sustainability/ Non-financial performance in its printed Integrated Annual Report 2019-20 ('the Report'). The sustainability/ non-financial performance disclosures in this Report is prepared based on the International <IR> Framework ('<IR>') of the International Integrated Reporting Council ('IIRC'), the Guiding Principles and Content Elements. This Report uses disclosures selected from the Global Reporting Initiative's (GRI's) Sustainability Reporting Standards (GRI Standards), and also other initiatives including the International Finance Corporation (IFC) Performance Standards and the United Nations' Sustainable Development Goals (SDGs) to bring out the various Content Elements of <IR>. The intended user of this Assurance Statement is the management of the Company. Our assurance engagement was planned and carried out in March 2020 – June 2020 for the financial year ending 31st March 2020.

We performed our work using AccountAbility's AA1000 Assurance Standard 2008 (AA1000AS) and DNV GL's assurance methodology VeriSustain™, which is based on our professional experience, international assurance best practices including International Standard on Assurance Engagements 3000 (ISAE 3000) Revised* and the GRI's Principles for Defining Report Content and Quality.

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion for providing a Type 2 Moderate Level of assurance based on AA1000 AS. In doing so, we evaluated both qualitative and quantitative disclosures presented in the Report using the <IR> principles, together with ATL's protocols for how the data was measured, monitored, recorded and reported. The performance data in the agreed scope of work included the qualitative and quantitative information on non-financial performance which were disclosed in the Report prepared by ATL for the activities undertaken by the Company over the reporting period 1st April 2019 to 31st March 2020.

The reporting topic boundaries of non-financial performance is based on the internal and external

materiality assessment predominantly covering ATL's operations including subsidiaries in India as set out in the Report in the section "*About the Report*".

We understand that the reported data on economic performance, including CSR expenses incurred by the business and contribution to M/s Adani Foundation towards CSR activities are based on disclosures and data from ATL's audited financial statements presented in Integrated Annual Report 2019-20, which is subjected to a separate independent statutory audit process, and is not included in our scope of work.

Responsibilities of the Management of ATL and of the Assurance Provider

The Management team of the Company have the sole accountability for the preparation of the sustainability/ non-financial disclosures in this Report and are also responsible for integrity of all information disclosed in the Report. Further management team has reviewed the Report based on requirements of <IR> framework including the process for collecting, analysing, reporting the information presented within the Report, and the references to the Company's website. ATL is also responsible for ensuring the maintenance and integrity of reported and referenced non-financial disclosures in its website and referenced documents.

In performing assurance work, our responsibility is to the management of ATL; however, this statement represents our independent opinion and is intended to inform the outcome of our assurance to the stakeholders of ATL. DNV GL was not involved in the preparation of any statement or data included in the Report except for this Assurance Statement and Management Report highlighting our assessment findings for future reporting.

DNV GL's assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith and free from any misstatements. DNV GL expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Statement.

Independent Assurance Statement on Non-Financial Reporting Contd.

Basis of our Opinion

A multi-disciplinary team of sustainability and assurance specialists performed verification through remote assessment, and we adopted a risk-based approach i.e. we concentrated our verification efforts on the issues of high material relevance to Company's power generation, transmission and distribution business, and its key stakeholders. We undertook the following activities:

- Reviewed the Company's approach to addressing the requirements of <IR> including stakeholder engagement and its materiality determination process; we had no direct stakeholder engagement;
- Verified the value creation disclosures related to the six capitals and claims made in the Report, and assessed the robustness of the data management system, data accuracy, information flow and controls for the reported disclosures;
- Examined and reviewed documents through remote assessment, data and other information made available by the Company related to disclosures;
- Conducted interviews with selected management team of Company to validate the qualitative disclosures;
- Performed sample-based reviews through remote assessment of the mechanisms for implementing the Company's sustainability related policies, as described in the Report;
- Performed sample-based checks through remote assessment of the processes for generating, gathering and managing the quantitative data and qualitative information included in the Report.

During the assurance process, we did not come across limitations to the scope and boundary of the agreed assurance engagement.

Opinion and Observations

On the basis of the verification undertaken, nothing has come to our attention that causes us to believe that the Report does not properly describe ATL's adherence to the criteria of reporting (Guiding Principles and Content Elements) related to <IR>, representation of the material topics, business model, disclosures on value creation through six capitals, related strategies and management approach, for identified material topics.

Without affecting our assurance opinion, we also provide the following observations.

AA1000 Accountability Principles Standard (2008)

Inclusivity

The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.

The Report has identified key stakeholders across its transmission, distribution and generation business and disclosed the process of stakeholder engagement, its outcome and stakeholder concerns. Further the outcomes of stakeholder engagement are used as inputs in determining material topics based on impact on six capitals for the chosen reporting boundary.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Inclusivity.

Materiality

The process of determining the issues that is most relevant to an organization and its stakeholders.

The Report articulates identified key material issues emerging from materiality analysis based on <IR> and as required by AA1000APS for its business of transmission, distribution and generation. The materiality determination process is based on inputs from key stakeholders including global and peer sector reports, Company and Group policies, value chain impacts of operations, business risks, and inputs from the senior management at ATL.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.

Responsiveness

The extent to which an organization responds to stakeholder issues.

The Company has established both formal and informal process (at Operation and Maintenance, and Project levels for its business) to respond to stakeholder concerns and feedback. The Report articulates, the sustainability performance including the strategies and management approach related to identified key sustainability topics, and challenges considering the overall sustainability context of the ATL line of business i.e. transmission, distribution and generation together with Operation and Maintenance, and Project activities.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Responsiveness.

Specific Evaluation of the Information on

¹The VeriSustain protocol is available on request from www.dnvgl.com

*Assurance Engagements other than Audits or Reviews of Historical Financial Information.

Sustainability Performance

We consider the methodology and process for gathering information developed by ATL for its sustainability performance reporting to be appropriate, and the qualitative and quantitative data included in the Report were found to be identifiable and traceable; personnel responsible could demonstrate the origin and interpretation of the data and its reliability. We observed that the Report presents a faithful description of the reported non-financial disclosures for the reporting period.

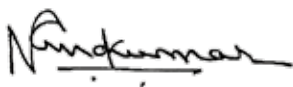
Reliability

The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems.

The Report has disclosed ATL's sustainability performance through identified qualitative and quantitative disclosures for the material topics and these are captured in bespoke data formats generated by ATL. The majority of data and information verified in remote assessment were found to be accurate. Some of the data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors. These identified errors were communicated and subsequently corrections made in the reported data and information.

For and on behalf of DNV GL AS

Bengaluru, India
1st June 2020



NANDKUMAR VADAKEPATTH

Lead Verifier,
Head - Regional Sustainability Operations
DNV GL Business Assurance India Private Limited,
India.



Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Reliability.

Additional principles as per DNV GL VeriSustain

Completeness

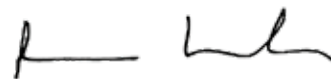
How much of all the information that has been identified as material to the organisation and its stakeholders is reported.

The Report has fairly brought out the disclosure requirements of <IR> including the value creation through six capitals, business model, strategy, management approach, monitoring systems and sustainability performance indicators considering the scope and boundary of its reporting, which excludes ATL's Trading Business as the Company is still working towards identification of material issues and systems to capture sustainability performance related to its Trading Business.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Completeness.

Neutrality

The extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone.



PRASUN KUNDU

Assurance Reviewer,
DNVGLBusinessAssurance India Private Limited,
India

DNV GL Business Assurance India Private Limited is part of DNV GL – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnvgl.com

Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 7th Annual Report along with the audited financial statements of your Company for the financial year ended on 31st March 2020.

Financial Performance Summary

The summarised financial highlight is depicted below:

(₹ in Crores)

Particulars	Consolidated		Standalone	
	2019-20	2018-19	2019-20	2018-19
Financial Results				
Total Revenue	11681.29	7560.80	1635.62	1631.41
Total Expenditure other than Financial Costs and Depreciation	6929.33	4543.22	880.59	843.84
Profit before Depreciation, Finance Costs and Tax	4751.96	3017.58	773.03	787.57
Finance Costs	2238.49	1391.03	767.19	733.45
Depreciation, Amortization and Impairment Expense	1174.02	882.15	0.30	0.12
Profit Before Rate Regulated Activities, Tax and Deferred Assets recoverable/adjustable for the period / year	1339.45	744.40	5.54	54.00
Net movement in Regulatory Deferral Account Balances - Income/(Expenses)	(232.77)	95.84	-	-
Profit Before Tax and Deferred Assets recoverable/adjustable for the period / year	1106.68	840.24	5.54	54.00
Total Tax Expenses	542.88	375.36	-	11.60
Profit After Tax for the period / year but before Deferred Assets recoverable/adjustable	563.80	464.88	5.54	42.40
Deferred assets recoverable/adjustable	142.69	94.32	-	-
Profit After Tax for the period / year	706.49	559.20	5.54	42.40
Add / (Less) Share in Joint Venture & Associates	-	-	-	-
Net Profit / (Loss) after Joint Venture & Associates	706.49	559.20	5.54	42.40
Other Comprehensive Income				
- Items that will not be reclassified to profit or loss	(21.10)	(1.42)	0.24	(0.17)
- Tax relating to item that will not be reclassified to Profit & Loss	3.61	-	-	-
- Items that will be reclassified to profit or loss	135.06	9.19	158.20	9.67
- Tax relating to items that will be reclassified to Profit & Loss	2.76	-	-	-
Other Comprehensive Income (After Tax)	120.33	7.77	158.44	9.50
Total Comprehensive Income for the year attributable to the Owner of the Company	869.75	566.97	163.98	51.90
Add / (Less) Share Non-controlling interests	(42.93)	-	-	-
Net Profit / (Loss) for the year after Non-controlling interests	826.82	566.97	163.98	51.90
Balance carried to Balance Sheet	826.82	566.97	163.98	51.90

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

Performance of Your Company

Consolidated Financial Results

The audited consolidated financial statements of your Company as on 31st March 2020, prepared in accordance with the relevant applicable IND AS and Regulation 33 of

the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and provisions of the Companies Act, 2013, forms part of this Annual Report.

The key aspects of your Company's consolidated performance during the financial year 2019-20 are as follows:

Operational Highlights

Your Company is the transmission and distribution (T&D) business arm of the Adani Group, one of India's largest business conglomerates. It is the country's largest private transmission Company with a cumulative transmission network of more than 14,739 ckt km out of which more than 11,576 ckt km is operational. This includes around 3,262 ckt km in various stages of construction. Your Company also operates a distribution business serving about 3 million+ customers in Mumbai. With India's energy requirement set to quadruple in coming years, your Company is fully geared to create a strong and reliable power transmission network and work actively towards achieving 'Power for All' by 2022.

Your Company has evolved over the past few years from a high growth developing Company to a mature asset operator with limited greenfield risk. Fuelled by Indian economic growth, the growing power demand, coupled with the Government's commitment to 24x7 power and promotion of renewable capacity will further drive power industry at large. Towards this effort, your Company's focus in FY 20 has been to expand the grid network and ensure high quality of electricity supply to our consumers. Through leveraging technology, innovation and commitment to transmitting bulk green power, we always make efforts to deliver and fuel country's power demands. Your Company has also used its Business Continuity and Disaster Management drills during ongoing pandemic times in order to continue its essential services seamlessly. The following are some of the operational highlights for FY 20 –

- Transmission availability maintained at 99.76%
- Transmission line of 227 ckt km got operational
- Won 6 new transmission projects including LOI received for 1 project
- Distribution loss reduced to 7.37%*
- Sold 8,455 million units (up 79 million units YOY)
- Maintained supply reliability at 99.99% (ASAI)

Financial Highlights:

- **Robust year registering 50% growth in EBITDA and 26% growth in PAT for the year at consolidated level.**
- FY20 operational revenue up 57% Year-over-year (YOY) at ₹ 10,237 Crores on the back of strong revenue contribution from seven newly operational SPV's in transmission and AEML full year contribution.
- Operational EBITDA of ₹ 4,287 Crores, up 50% YOY due to ₹ 596 Crores of EBITDA contribution from seven newly operational SPVs and strong contribution from distribution business.

*Provisional figure as March sales values are estimated owing to COVID-19 related restrictions.

- Transmission EBITDA margin at 91.8% due to operational efficiency and higher contribution from newly operational SPV's. Strong Distribution EBITDA margin at 24.0%.
- Consolidated PAT of ₹ 707 Crore, up 26% YOY.

Standalone Financial Results:

On standalone basis, your Company registered total revenue of ₹ 1,653.62 Crores in FY20 as compared to ₹ 1,631 Crores in FY19.

The detailed operational performance of your Company has been comprehensively discussed in the Management Discussion and Analysis Report which forms part of this Report.

Other Key Highlights:

Your Company continues to focus on freeing up its equity, reducing cost of debt and bringing in marquee partners to set global corporate practices.

- Your Company successfully completed its maiden US Private Placement of USD 400 Million in Feb-Mar 2020.
- Completion of Qatar Investment Authority (QIA) investment in AEML in Feb 2020.
- Your Company's material subsidiary – Adani Electricity Mumbai Limited (AEML) completed its first ever USD bond issuance by a private integrated utility from India, raising USD 1 Billion in February 2020.

Organisational Initiatives in response to COVID-19 situation

The ongoing COVID-19 crisis calls for the entire nation to fight as one collective force, the Adani Group as a whole has contributed ₹ 100 Crores to the PM Cares Fund in this hour of India's battle against COVID-19. Adani Group will further contribute additional resources to support the Governments and fellow citizen in these testing times.

COVID-19 is an unprecedented and highly evolving event with Government of India imposing restrictions on movement of people across the country. Accordingly, the Government & local administration has categorised power transmission and electricity distribution as an 'essential service', enabling us to continue serving our customers in an effective manner.

- In light of the above situation, we have taken the following measures towards safety of our stakeholders and continuity of our business:
 - Operational staff quarantined at substations with all arrangements for congenial and safe living and work

Directors' Report (Contd.)

- Travel advisories issued and IT & Technology enablement measures are in place to facilitate remote working & seamless connectivity
 - Regularly issuing updated preventive measures, guidelines & communication to employees
 - Hygiene, sanitisation of workplaces & sites ensured, and 100% thermal scanning has been enabled
 - Working closely with our associates & service partners through digital means to ensure continuity of their services
 - Remote working in a phased manner. Currently operating with minimum staff/voluntary staff with the remaining are pursuing remote working.
 - Being a power transmitter and supplier, duly ensuring safety and safeguarding health and hygiene of staff; we have been maintaining business continuity near 100% availability of assets and network.
- The management does not see any medium to long-term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due, and compliance with the debt covenants, as applicable.

Dividend

The Board of Directors of your Company, after considering holistically the relevant circumstances and keeping in view the tremendous growth opportunities that your Company is currently engaged with, has decided that it would be prudent not to recommend any Dividend for the year under review.

Fixed Deposits

During the year under review, your Company has not accepted any fixed deposits within the meaning of Section 73 of the Companies Act, 2013 and the rules made thereunder.

Non-Convertible Debentures

During the year under review, your Company has redeemed/bought back 21,716 Rated, Listed, Taxable, Secured, Redeemable, Non-Convertible Debentures of the face value of 10 Lakhs each issued on private placement basis.

As on 31st March 2020, 3,750 Rated, Listed, Taxable, Secured, Redeemable, Non-Convertible Debentures of face value of ₹ 10 Lakhs each aggregating to ₹ 375 Crores were outstanding as issued on private placement basis listed on the Wholesale Debt Market Segment of BSE Limited.

Particulars of loans, guarantees or Investments

The provisions of Section 186 of the Companies Act, 2013, with respect to a loan, guarantee or security are not applicable to the Company as the Company is engaged in providing infrastructural facilities which is exempted under Section 186 of the Companies Act, 2013. The details of investments made by the Company during the year under review are disclosed in the financial statements.

Subsidiaries, Joint Ventures and Associate Companies

Your Company had 20 direct subsidiaries as on 31st March 2019. During the year under review, the following companies were acquired/incorporated –

- Bikaner-Khetri Transmission Limited from PFC Consulting Limited.
- Lakadia Banaskantha Transco Limited, Jam Khambaliya Transco Limited and WRSS XXI (A) Transco Limited form REC Transmission Projects Company Limited.
- Arasan Infra Private Limited and Sunrays Infra Space Private Limited were incorporated as a wholly-owned subsidiary Company.
- Adani Electricity Mumbai Services Limited was also incorporated as a wholly-owned subsidiary Company, name of which changed to Power Distribution Services Limited subsequently w.e.f. 2nd January 2020.
- Adani Electricity Mumbai Infra Limited was incorporated as a wholly-owned subsidiary Company of Adani Electricity Mumbai Limited a material subsidiary of the Company.

In view of the above, the total number of subsidiaries as on 31st March 2020 was 28.

Your Company had signed the Share Purchase Agreement in December 2019 with Adani Electricity Mumbai Limited (AEML), a material subsidiary company and Qatar Holdings LLC (Investor), for enabling Investor to acquire 25.1% stake (i.e. 100,92,26,708 number of equity shares of the AEML) held by the Company. Investor has completed the acquisition of 25.1% equity shares of the AEML with effect from 10th February 2020.

There are no associate companies or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

Pursuant to the provisions of Sections 129, 134 and 136 of the Companies Act, 2013 read with rules framed thereunder and pursuant to Regulation 33 of the SEBI Listing Regulations, the Company had prepared consolidated financial statements of the Company and

its subsidiaries and a separate statement containing the salient features of financial statement of subsidiaries, joint ventures and associates in Form AOC-1 which forms part of the Annual Report.

The annual financial statements and related detailed information of the subsidiary companies shall be made available to the shareholders of the holding and subsidiary companies seeking such information on all working days during business hours. The financial statements of the subsidiary companies shall also be kept for inspection by any shareholder/s during working hours at the Company's registered office and that of the respective subsidiary companies concerned. In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on our website, www.adanitransmission.com. Details of developments of subsidiaries of the Company are covered in the Management's Discussion and Analysis Report forms part of this Report.

Directors and Key Managerial Personnel

Pursuant to the requirements of the Companies Act, 2013 and Articles of Association of the Company, Mr. Rajesh S. Adani (DIN: 00006322) is liable to retire by rotation and being eligible offers himself for re-appointment.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and the SEBI Listing Regulations and there has been no change in the circumstances which may affect their status as independent director during the year.

The Board recommends the re-appointment of director for your approval.

Brief details of Directors proposed to be re-appointed as required under Regulation 36 of the SEBI Listing Regulations are provided in the Notice of Annual General Meeting.

Currently, the promoter group of the Company is holding 74.92% equity stake of the Company which is within the statutory limits as prescribed by Securities and Exchange Board of India. Further, the composition of the board of directors of the Company comprises judicial mix of 2 (Two) Promoter Directors, 3 (Three) independent directors and 1 (One) professional Managing Director and CEO, thereby ensuring the requirement of having 50% Board being Independent. The ownership and board governance structure(s) of the Company are independent to each other and the functioning of the Board as a collective body is primarily driven by theory of fiduciary duties of director

thereby ensuring effectively protecting the interests of minority shareholders and long-term value creation for its stakeholders.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, state the following:

- a) that in the preparation of the annual financial statements, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2020 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial control were adequate and were operating effectively;
- f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Policies

During the year under review, the Board of Directors of the Company have amended/approved changes in Corporate Social Responsibility policy; Nomination and Remuneration Policy of Directors, Key Managerial Personnel and Other Employees; Policy for determining Material Subsidiaries; Related Party Transaction Policy; Vigil Mechanism/Whistle-Blower Policy; Code of Conduct for Board of Directors and Senior Management of the Company; Material Events Policy; Website Content Archival Policy and Code of internal procedures and conduct for regulating, monitoring and reporting of Trading by Insiders to comply with the recent amendments in the Companies Act, 2013 and SEBI Regulations. 21 (Twenty One) new policy documents were added from good governance perspective. Accordingly, the updated policies are uploaded on website of the Company at <https://www.adanitransmission.com/investors/corporate-governance>.

Directors' Report (Contd.)

Number of Board Meetings

The Board of Directors met 4 (four) times during the year under review. The details of board meetings and the attendance of the Directors are provided in the Corporate Governance Report which forms part of this report.

Independent Directors' Meeting

The Independent Directors met on 13th February 2020, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of non-independent directors and the Board as a whole; the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Board Evaluation

The Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgement, governance issues etc.

Policy on Directors' Appointment and Remuneration

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 is made available on the Company's website (<https://www.adanitransmission.com/investors/corporate-governance>).

Internal Financial Control System and their Adequacy

The details in respect of internal financial control and their adequacy are included in the Management and Discussion & Analysis, which forms part of this report.

Risk Management

The Board of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee

has additional oversight in the area of financial risks and controls.

Committees of Board

Details of various committees constituted by the Board of Directors as per the provisions of the SEBI Listing Regulations and Companies Act, 2013 are given in the Corporate Governance Report which forms part of this report.

Corporate Social Responsibility & Sustainability

The Company has constituted a Corporate Social Responsibility & Sustainability (CSR&S) Committee and has framed a CSR Policy. The brief details of (CSR&S) Committee are provided in the Corporate Governance Report. The Annual Report on CSR activities is annexed to this Report. The CSR Policy is available on the website (<https://www.adanitransmission.com/investors/corporate-governance>) of the Company.

Till 2017-18, we were preparing a separate Annual Report and Sustainability Report. This is the second year that we have combined both the reports into one, presenting financial and non-financial metrics in an integrated report, for a more holistic picture of our purpose, performance and prospects.

Corporate Governance and Management Discussion and Analysis Report

Separate reports on Corporate Governance compliance and Management Discussion and Analysis as stipulated by the SEBI Listing Regulations form part of this Annual Report along with the required Certificate from Statutory Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated.

In compliance with Corporate Governance requirements as per the SEBI Listing Regulations, your Company has formulated and implemented a Code of Business Conduct and Ethics for all Board members and senior management personnel of the Company, who have affirmed the compliance thereto.

Business Responsibility Report

The Business Responsibility Report for the year ended 31st March 2020 as stipulated under Regulation 34 of the SEBI Listing Regulations is annexed which forms part of this Annual Report.

Prevention of Sexual Harassment at Workplace

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, your Company has

constituted Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment. During the year under review, there were no complaints pertaining to sexual harassment.

Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT-9 are annexed to this Report as **Annexure - A**.

Related Party Transactions

All the related party transactions entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Your Company had not entered into any transactions with related parties which could be considered material in terms of Section 188 of the Companies Act, 2013. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC 2 is not applicable.

During the year under review, no new transaction took place, however your Company carried forward certain transactions with related party which are material as per Regulation 23 of the SEBI Listing Regulations and the details of the said transactions are provided in the Annexure to Notice of the Annual General Meeting.

Note on the material related party transaction carried forward by the Company as per Annexure forming part of the AGM notice –

- This amount was invested in ATL by Adani Infra (India) Limited to support acquisition of Adani Electricity Mumbai Limited's (AEML) Business which is in the Gateway city/Financial Capital of India and is considered as a marquee asset for the Company's entry into retail electricity distribution business. To support this acquisition for sustainable growth with proper Debt: Equity mix, the Promoter group which is already holding 74.92% in the Company, had to be approached by management for urgent financial assistance in the manner that its recognised as an equity instrument for lenders to support with their corporate financing. Basis negotiations, the Promoters agreed to contribute significant sum of equity alike instrument, with reasonable equity returns on the amount and agreeing to deeply subordinate the sum provided, in the form of Perpetual Equity. Accordingly, the sum provided accrues 11.8% p.a. return on the same with mutually agreeable payment terms. The original sum contributed along with carrying costs can only be paid only against the equity sum to be mobilised by the Company. Thus the amount received is from related party but it's a facilitation sum that the Company needed for marquee acquisition and is rather a huge support lent by Promoter.

Significant and Material Orders Passed by the Regulators or Courts or Tribunals Impacting the Going Concern Status of the Company

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations.

Insurance

The Company has taken appropriate insurance for all assets against foreseeable perils.

Auditors & Auditors' Report

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with rules made thereunder, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) hold office as the Statutory Auditors of the Company until the conclusion of the ensuing 10th Annual General Meeting (AGM) to be held in the year 2023.

The Notes to the financial statements referred in the Auditors Report are self-explanatory. There are no qualifications or reservations, or adverse remarks or disclaimers given by Statutory Auditors' of the Company and therefore do not call for any comments under Section 134 of the Companies Act, 2013. The Auditors' Report is enclosed with the financial statements in this Annual Report.

Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Company has appointed M/s. Chirag Shah & Associates, Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for FY 2019-20 is annexed, which forms part of this report as **Annexure-B**. There were no qualifications, reservation or adverse remarks given by Secretarial Auditors of the Company.

As per the requirements of the Listing Regulations, Practicing Company Secretaries of the respective material subsidiaries of the Company have undertaken secretarial audits of these subsidiaries for FY20. The Audit Report confirms that the material subsidiaries have complied with the provisions of the Act, Rules, Regulations and Guidelines and that there were no deviations or non-compliances.

Particulars of Employees

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in separate annexure forming part of this Report as **Annexure-C**.

Directors' Report (Contd.)

The statement containing particulars of employees as required under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be provided upon request. In terms of Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company. If any member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts)

Rules, 2014, as amended from time to time is annexed to this Report as **Annexure-D**.

Acknowledgement

Your Directors are highly grateful for all the guidance, support and assistance received from the Government of India, various State Governments, Financial Institutions and Banks. Your Directors thank all shareowners, esteemed customers, suppliers and business associates for their faith, trust and confidence reposed in the Company.

Your Directors also wish to place on record their sincere appreciation for the dedicated efforts and consistent contribution made by the employees at all levels, to ensure that the Company continues to grow and excel.

Place: Ahmedabad
Date: 9th May 2020

Gautam S. Adani
Chairman
(DIN: 00006273)

Annexure – A to the Directors' Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31st March 2020

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other Details:

CIN	: L40300GJ2013PLC077803
Registration Date	: 9 th December 2013
Name of the Company	: Adani Transmission Limited
Category/Sub-Category of the Company	: Company limited by shares
Address of the Registered office and contact details	: Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009, Gujarat, India. Tel: +91-79-26565555
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Link Intime India Private Limited 5 th Floor, 506-508, Amarnath Business Centre – 1 (ABC-1), Beside Gala Business Centre, Off C. G. Road, Navrangpura, Ahmedabad – 380 009. Tel: +91-79-26465179 Fax: +91-79-26465179 E-mail: ahmedabad@linkintime.co.in

II. Principal Business Activities of the Company:

Name and description of main Products/Services	NIC Code of the Product/ service	% to total turnover of the Company
Transmission of electric energy	35107	0.03%
Trading of Agri Commodities	46309	99.97%

III. Particulars of Holding, Subsidiary and Associate Companies:

Sr. No.	Name and address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	*% of shares held	Applicable Section
1.	Adani Transmission (India) Limited Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009	U40101GJ2013PLC077700	Subsidiary	100	2(87)
2.	Maharashtra Eastern Grid Power Transmission Company Limited Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009	U40100GJ2010PLC059593	Subsidiary	100	2(87)
3.	Chhattisgarh-WR Transmission Limited Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009	U40105GJ2014GOI094187	Subsidiary	100	2(87)
4.	Raipur-Rajnandgaon-Warora Transmission Limited Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009	U40300GJ2014GOI094189	Subsidiary	100	2(87)
5.	Sipat Transmission Limited Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009	U40300GJ2014GOI094190	Subsidiary	100	2(87)
6.	Adani Transmission (Rajasthan) Limited 31 (A), 6 th Floor, Plot No. 5, Swej Farm, Mahima Trinity, New Sanganer Road, Jaipur – 302 019	U40105RJ2016PLC049663	Subsidiary	99.99	2(87)

Sr. No.	Name and address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
7.	North Karanpura Transco Limited, Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009	U40103GJ2015GOI094910	Subsidiary	100	2(87)
8.	Aravali Transmission Service Company Limited Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009	U40109GJ2009PLC098510	Subsidiary	100	2(87)
9.	Maru Transmission Service Company Limited Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009	U40109GJ2009PLC098567	Subsidiary	100	2(87)
10.	Barmer Power Transmission Service Limited 31(A), 6 th Floor, Plot No.5, Swej Farm, Mahima Trinity, New Sanganer Road, Jaipur – 302 019	U40300RJ2016SGC055162	Subsidiary	100	2(87)
11.	Thar Power Transmission Service Limited 31(A), 6 th Floor, Plot No.5, Swej Farm, Mahima Trinity, New Sanganer Road, Jaipur – 302 019	U40300RJ2016SGC055193	Subsidiary	100	2(87)
12.	Hadoti Power Transmission Service Limited 31(A), 6 th Floor, Plot No.5, Swej Farm, Mahima Trinity, New Sanganer Road, Jaipur – 302 019	U40106RJ2016SGC054887	Subsidiary	100	2(87)
13.	Western Transco Power Limited Adani House, Nr. Mithakhali Six Roads Navrangpura, Ahmedabad – 380 009	U40300GJ2016PLC105283	Subsidiary	100	2(87)
14.	Western Transmission (Gujarat) Limited Adani House Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009	U40300GJ2016PLC105284	Subsidiary	100	2(87)
15.	Fatehgarh-Bhadla Transmission Limited C-105, Anand Niketan, New Delhi – 110 021	U40300DL2016GOI309971	Subsidiary	100	2(87)
16.	Ghatampur Transmission Limited C-105, Anand Niketan, New Delhi – 110 021	U40300DL2016GOI308788	Subsidiary	100	2(87)
17.	Adani Electricity Mumbai Limited Adani House 56, Shrimali Society, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009	U74999GJ2008PLC107256	Subsidiary	74.90	2(87)
18.	AEML Infrastructure Limited Adani House 56, Shrimali Society, Nr. Mithakhali Six Road, Navrangpura, Ahmedabad - 380009	U40106GJ2018PLC105571	Subsidiary	100	2(87)
19.	Obra-C Badaun Transmission Limited C-105, Anand Niketan, New Delhi – 110 021	U40106DL2018GOI337373	Subsidiary	100	2(87)
20.	Adani Transmission Bikaner Sikar Private Limited 31(A), 6 th Floor, Plot No.5, Swej Farm, Mahima Trinity, New Sanganer Road, Jaipur – 302 019 (name changed w.e.f. 24 th August 2019, earlier name was – KEC Bikaner Sikar Transmission Private Limited)	U40101RJ2015PTC057349	Subsidiary	99.99	2(87)
21.	Bikaner-Khetri Transmission Ltd. C-105, Anand Niketan, New Delhi – 110 021	U40108DL2019GOI346433	Subsidiary	100	2(87)
22.	WRSS XXI (A) Transco Ltd. C-105, Anand Niketan, New Delhi – 110 021	U40107DL2019GOI347713	Subsidiary	100	2(87)
23.	Arasan Infra Private Limited Adani House, 56 Shrimali Society Navrangpura, Ahmedabad – 380 009	U40100GJ2019PTC110660	Subsidiary	100	2(87)
24.	Sunrays Infra Space Private Limited Adani House, 56 Shrimali Society Navrangpura, Ahmedabad – 380 009	U40106GJ2019PTC110679	Subsidiary	100	2(87)

Sr. No.	Name and address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
25.	Lakadia Banaskantha Transco Limited C-105, Anand Niketan, New Delhi – 110 021	U40107DL2019GOI347428	Subsidiary	100	2(87)
26.	Jam Khambaliya Transco Limited C-105, Anand Niketan, New Delhi – 110 021	U40105DL2019GOI347089	Subsidiary	100	2(87)
27.	Power Distribution Services Limited (name changed w.e.f. 2 nd January 2020, earlier name was – Adani Electricity Mumbai Services Limited) Adani House, 56 Shrimali Society Navrangpura, Ahmedabad – 380009	U93090GJ2019PLC111268	Subsidiary	74.90	2(87)
28.	Adani Electricity Mumbai Infra Limited "Adani House", 56, Shrimali Society, Near Mithakhali Six Road, Navrangpura Ahmedabad – 380 009	U40106GJ2020PLC111877	Subsidiary	100	2(87)

* Representing aggregate % of stake held by the Company in its subsidiaries directly and / or along with other subsidiaries.

IV. Share Holding Pattern (Equity Share Capital Break-up as Percentage of Total Equity) as on 31st March 2020

i) Category-wise Share Holding

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoter										
1 Indian										
a)	Individuals/HUF	2	-	2	-	2	-	2	0.00	-
b)	Central Government	-	-	-	-	-	-	-	-	-
c)	State Government(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corporate	99491719	-	99491719	9.04	99491719	-	99491719	9.04	-
e)	Banks/FI	-	-	-	-	-	-	-	-	-
f)	Any Others Family Trust	630034660	-	630034660	57.29	630034660	-	630034660	57.29	-
Sub-Total (A)(1)		729526381	-	729526381	66.33	729526381	-	729526381	66.33	-
2 Foreign										
a)	NRIs – Individuals	-	-	-	-	-	-	-	-	-
b)	Other – Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corporate	94437100	-	94437100	8.59	94437100	-	94437100	8.59	-
d)	Banks/FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)		94437100	-	94437100	8.59	94437100	-	94437100	8.59	-
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)		823963481	-	823963481	74.92	823963481	-	823963481	74.92	-
B. Public shareholding										
1 Institutions										
a)	Mutual Funds/UTI	27473	-	27473	0.00	1468308	-	1468308	0.13	0.13
b)	Banks/FI	28162814	-	28162814	2.57	26771854	-	26771854	2.44	(0.13)
c)	Central Government	-	-	-	-	-	-	-	-	-
d)	State Government(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FII	-	-	-	-	-	-	-	-	-

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year			% of total Shares	No. of Shares held at the end of the year			% of total Shares	% Change during the year
		Demat	Physical	Total		Demat	Physical	Total		
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Any Other									
	Foreign Portfolio Investor (Corporate)	226937411	-	226937411	20.63	227535552	-	227535552	20.69	0.06
Sub-Total (B)(1)		255127698	-	255127698	23.20	255775714	-	255775714	23.26	0.06
2 Non-institutions										
a)	Bodies Corporate									
i	Indian	2654915	-	2654915	0.24	2375199	-	2375199	0.22	(0.02)
ii	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i	Individuals shareholders holding nominal share capital up to ₹ 1 Lakh	8937138	291898	9229036	0.84	8347076	234873	8581949	0.78	(0.06)
ii	Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	6707187	78000	6785187	0.62	6837049	54000	6891049	0.62	-
c)	Other (specify)									
	Clearing Member	201043	-	201043	0.02	586503	-	586503	0.05	0.03
	Non-Resident Indian (Repat)	456688	-	456688	0.04	282065	-	282065	0.03	(0.01)
	Non-Resident Indian (Non-Repat)	119458	-	119458	0.01	124844	-	124844	0.01	-
	Foreign National	10000	-	10000	0.00	10000	-	10000	-	-
	NBFC registered with RBI	15636	-	15636	0.00	2286	-	2286	0.00	-
	Hindu Undivided Family	1245855	-	1245855	0.11	1215907	-	1215907	0.11	-
	Trust	1086	-	1086	0.00	1086	-	1086	0.00	-
Sub-Total (B)(2)		20349006	369898	20718904	1.89	19782015	288873	20070888	1.82	(0.06)
Total Public Shareholding (B)= (B)(1)+(B)(2)		275476704	369898	275846602	25.08	275557729	288873	275846602	25.08	-
C. Shares held by Custodians for GDRs & ADRs										
GRAND TOTAL (A)+(B)+(C)		1099440185	369898	1099810083	100.00	1099521210	288873	1099810083	100.00	-

ii) Shareholding of Promoters/Promoters Group:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total shares of the Company	% shares pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% shares pledged/encumbered to total shares	
1	Shri Gautam S. Adani	1	--	--	1	--	--	Nil
2	Shri Rajesh S. Adani	1	--	--	1	--	--	Nil
3	Shri Gautam S. Adani/Smt. Priti G. Adani (on behalf of Gautam S. Adani Family Trust)	8836750	0.80	0.00	8836750	0.80	0.00	Nil
4	Shri Gautam S. Adani/Shri Rajesh S. Adani (on behalf of S.B. Adani Family Trust)	621197910	56.48	30.96	621197910	56.48	32.29	Nil
5	Adani Tradeline LLP (Formerly known as Parsa Kente Rail Infra LLP)	99491719	9.05	7.60	99491719	9.05	7.90	Nil
6	Afro Asia Trade and Investments Ltd., Mauritius	30249700	2.75	--	30249700	2.75	--	Nil
7	Universal Trade and Investments Ltd., Mauritius	30249700	2.75	--	30249700	2.75	--	Nil
8	Worldwide Emerging Market Holding Ltd., Mauritius	30249700	2.75	--	30249700	2.75	--	Nil
9	Flourishing Trade and Investment Ltd.	36,88,000	0.34	--	3688000	0.34	--	Nil
Total		823963481	74.92	38.56	823963481	74.92	40.19	0.00

iii) Change in Promoters'/Promoters' Group Shareholding:

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Date-wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
At the end of the year	-	-	-	-

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoter and Holders of GDRs and ADRs)

Name of Shareholders	Shareholding at the beginning of the year		Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)		Shareholding at the end of the year	
	No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company
			Purchase	Sell		
Elara India Opportunities Fund Limited	50847336	4.62	--	--	50847336	4.62
Cresta Fund Ltd	43152584	3.92	--	395712	42756872	3.89
Albula Investment Fund Limited	28222398	2.57	--	--	28222398	2.57
Life Insurance Corporation of India	27997267	2.55	--	1430127	26567140	2.42
LTS Investment Fund Limited	17233079	1.57	256270	--	17489349	1.59
APMS Investment Fund Limited	17167453	1.56	289090	--	17456543	1.59
Asia Investment Corporation (Mauritius) Limited	16136440	1.47	93827	--	16230267	1.48
Vespera Fund Limited	15581432	1.42	241907	1287633	14535706	1.32
Marshal Global Capital Fund Limited	10890747	0.99	--	--	10890747	0.99
Nomura Singapore Limited ODI	4028552	0.37	--	--	4028552	0.37
Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Funds	4043070	0.37	44670	654233	3433507	0.31

The shares of the Company are traded on a daily basis and hence the date wise increase/decrease in shareholding is not indicated. Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholder.

v) Shareholding of Directors and Key Managerial Personnel

Name	Shareholding at the beginning of the year		Date	Change in Shareholding (No. of Shares)		Shareholding at the end of the year	
	No. of Shares	% of total shares of the Company		Increase	Decrease	No. of Shares	% of total shares of the Company
Directors							
Mr. Gautam S. Adani ¹ ²	1	0.00	-	-	-	1	0.00
Mr. Rajesh S. Adani ¹	1	0.00	-	-	-	1	0.00
Mr. Anil Sardana	-	-	-	-	-	-	-
Mr. K. Jairaj	-	-	-	-	-	-	-
Dr. Ravindra H. Dholakia	-	-	-	-	-	-	-
Mrs. Meera Shankar	-	-	-	-	-	-	-
Key Managerial Personnel							
Mr. Kaushal G. Shah, Chief Financial Officer	-	-	-	-	-	-	-
Mr. Jaladhi Shukla Company Secretary	49	0.00	-	-	-	49	0.00

1. Gautam S. Adani/Rajesh S. Adani (on behalf of S.B. Adani Family Trust) holds 62,11,97,910 (56.48%) shares of the Company. During the year under review, there was no increase/decrease in the same.

2. Gautam S. Adani/Priti G. Adani (on behalf of Gautam S. Adani Family Trust) holds 88,36,750 (0.80%) shares of the Company. During the year under review, there was no increase/decrease in the same.

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ In Crores)				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6,305.54	848.74	0.00	7,154.28
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	218.56	2.41	0.00	2,20.97
Total (i+ii+iii)	6,524.11	851.15	0.00	7,375.25
Change in Indebtedness during the financial year				
• Addition	6,078.76	1610.00	0.00	7,688.76
• Reduction	4,528.48	2458.74	0.00	6,987.22
Net Change	8,074.39	2.41	0.00	8,076.80
Indebtedness at the end of the financial year				
i) Principal Amount	7,855.83	0.00	0.00	7,855.83
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	114.09	0.00	0.00	114.09
Total (i+ii+iii)	7,969.92	0.00	0.00	7,969.92

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Mr. Anil Sardana, Managing Director and CEO has drawn a remuneration of ₹ 7.65 Crores from one of the operational subsidiary of the Company during FY 20. None of the other Executive Directors of the Company were drawing any remuneration from the Company during FY 20.

B. Remuneration to other Directors:

(₹ In Lakhs)				
Particulars of Remuneration	K. Jairaj	Mrs. Meera Shankar	Dr. Ravindra H. Dholakia	Total
1 Independent Directors				
a) Fee for attending board, committee meetings	6.50	5.00	5.00	16.50
b) Commission	0.00	0.00	0.00	0.00
c) Others, please specify	0.00	0.00	0.00	0.00
Total (1)	6.50	5.00	5.00	16.50
2 Other Non-Executive Directors				
Particulars of Remuneration				
a) Fee for attending board, committee meetings		0.00		0.00
b) Commission		0.00		0.00
c) Others, please specify		0.00		0.00
Total (2)				0.00
Total (1+2)				16.50

C. Remuneration to key managerial personnel other than MD/ Manager/ WTD: None.

VII. Penalties/Punishment/Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of penalty/ punishment/compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give details)
A. Company					
Penalty					
Punishment			None		
Compounding					
B. Directors					
Penalty					
Punishment			None		
Compounding					
C. Other Officers in default					
Penalty					
Punishment			None		
Compounding					

Annexure – B to the Directors' Report

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED
31ST MARCH 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members
Adani Transmission Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ADANI TRANSMISSION LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit by using appropriate Information technology tools like virtual data sharing by way of data room and remote desktop access tools, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. The physical inspection or Verification of documents and records were taken to the extent possible:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made hereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (up to 10th September 2018) and The Securities and Exchange Board of India (Buyback of Securities) Regulations 2018 (w.e.f. 11th September 2018) (Not Applicable to the Company during the Audit Period);
- (vi) Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:
 - (a) The Electricity Act, 2003
 - (b) The Grid Code, the grid connectivity standards applicable to the Transmission Line and the sub-station as per the Central Electricity Authority

(Technical Standards for Connectivity to the Grid) Regulations, 2007, Central Electricity Authority (Technical Standards for Construction of Electrical Plants and Electric Lines) Regulations, 2010.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that

1. during the audit period, the Company has passed the following Special Resolutions-
 - i. Re-appointment of Dr. Ravindra H. Dholakia (DIN: 00006936), as an Independent Director.
 - ii. Re-appointment of Mr. K. Jairaj (DIN: 01875126), as an Independent Director.
 - iii. Re-appointment of Mrs. Meera Shankar (DIN: 06374957), as an Independent Director.
 - iv. Approval of offer or invitation to subscribe to Securities for an amount not exceeding ₹ 5,000 Crores.
 - v. Alteration of Articles of Association of the Company.
2. During the year under review, the Company had signed the Share Purchase Agreement in December 2019 with Adani Electricity Mumbai Limited (AEML), a material subsidiary company and Qatar Holdings LLC (Investor), for enabling Investor to acquire 25.1% stake (i.e. 100,92,26,708 number of equity shares of the AEML) held by the Company. Investor has completed the acquisition of 25.1% equity shares of the AEML with effect from 10th February 2020.

Chirag Shah

Partner

Chirag Shah and Associates

FCS No. 5545

C P No. 3498

UDIN: F005545B000211465

Place: Ahmedabad

Date: 9th May 2020

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure - A

To The Secretarial Audit Report

To,
The Members
Adani Transmission Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad
Date: 9th May 2020

Chirag Shah
Partner
Chirag Shah and Associates
FCS No. 5545
C P No. 3498

Annexure – C to the Directors' Report

[Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- i) **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year 2019-20:**
- ii) **The percentage increase in the median remuneration of employees in the financial year:** 10%

Name of Directors/KMP	Ratio of remuneration to median remuneration of Employees	% increase in remuneration in the financial year
Executive Directors		
Mr. Gautam S. Adani	-	-
Mr. Rajesh S. Adani	-	-
Mr. Anil Kumar Sardana	-	-
Non-Executive Directors		
Mr. K. Jairaj	0.68:1	4%
Mrs. Meera Shankar	0.52:1	-
Dr. Ravindra H. Dholakia	0.52:1	-
Key Managerial Personnel		
Mr. Kaushal G. Shah	-	-
Mr. Jaladhi Shukla	-	-

- iii) **The number of permanent employees on the rolls of Company:** 5,417 permanent employees on consolidated basis as on 31st March 2020.
- iv) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**
- Average increase in remuneration of employees excluding KMPs: 10%
 - Average increase in remuneration of KMPs: Nil
 - KMP Salary increases are decided based on the Company's performance, individual performance, inflation, prevailing industry trends and benchmarks.
- v) **Affirmation that the remuneration is as per the Remuneration Policy of the Company:**

The Company affirms remuneration is as per the Remuneration Policy of the Company.

Annexure –D to the Directors' Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of Energy:

(i) Steps taken or impact on conservation of energy:

- We have installed LED in yard to reduce aux. consumption also A.C. temperatures are set on 23 Degree.
- Implemented Process for Energy Wastage minimization
- High efficiency lighting control, motors, pumps & fans installed with BEE Rating to reduce the Auxiliary Power Consumption
- Replace compact florescent lamp (CFL) with LED device
- Use of Silicon rubber insulator for less breakdown of lines
- Control building insulation & windows

(ii) Steps taken by the company for utilizing alternate sources of energy:

We have installed renewable energy source (Solar) as an alternate source of energy.

(iii) Capital investment on energy conservation equipment:

NIL

B. Technology Absorption:

Adopting the best technologies in our business is essential in ensuring and maintaining global benchmarks in performance. We ensure this through our in house engineering and adopting best technologies available in the market.

We have done Engineering of GIS based 400/220 /132 KV Substation at Badaun, UP under Obra-C Transmission Line for the first time in ATL.

As a part of the R&D our engineering team has developed India's First 765KV D/C Double Delta Configuration Dwarf Tower. This has already been used in Fatehgarh –Bhadla Transmission Line in the State of Rajasthan. We have developed the Mobile Phone application namely Techno Purple Line Patrolling software which helped to analyse the details of fault found during Line Patrolling.

We have started the process of Installation of GIS based Asset Management Control under ATL. The Linking of Asset Management Data will be done through GIS for all Location of Asset spreading across Pan India.

For civil structural design our engineering team is proficient enough to design tower structures and sub-station structures with latest internationally accepted tools like PLS Tower and STAAD-Pro. For 3D detailing of transmission towers our team is using BOCAD software. Fabrication sketches and CNC details can be extracted from the 3D detail tower model in BOCAD software. Due to 3D detail modelling, fabrication errors and proto errors can be minimize.

C. Foreign Exchange Earnings and Outgo:

The particulars relating to foreign exchange earnings and outgo during the year under review are as under:

Particulars	(₹ in Crores)	
	2019-20	2018-19
Foreign exchange earned	-	-
Foreign exchange outgo	175.73	155.63

Annexure to the Directors' Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES AS PER SECTION 135 OF THE COMPANIES ACT, 2013.

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

The Company has framed Corporate Social Responsibility (CSR) Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of the society.

The CSR Policy has been uploaded on the website of the Company at <https://www.adanitransmission.com/investors/corporate-governance>.

2. Composition of Corporate Social Responsibility & Sustainability (CSR&S) Committee:

- Mr. Rajesh S. Adani, Chairman

- Mr. Anil Sardana, Member
- Mr. K. Jairaj, Member

3. Average net profit/(loss) of the Company for last three financial years:

Average net profit: ₹ 11.42 Crores.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):

The Company was required to spend ₹ 0.23 Crores towards CSR on standalone basis.

5. Details of CSR spend for the financial year:

- Total amount spent for the financial year: ₹ 0.23 Crores
- Amount unspent, if any: Nil
- Manner in which the amount spent during the financial year is detailed below:

SN	Projects/ Activities Sector	Sector	Location	Amount Outlay (Budget) Project or Programs wise	Amount Spent on the project or programs		Cumulative Expenditure Up to Reporting period	Amount spent: Direct or through implementing agency
					Direct expenditure on projects or programs	Overheads		
1.	Holistic Education through Project Udan	Education	Gondia, Maharashtra	0.23	0.23	--	0.23	Through Adani Foundation

During FY 2019-20, the Company has spent ₹ 18.14 Crores on consolidated basis towards CSR activities.

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof:

Not Applicable

7. The CSR&S Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

8. Details of CSR programme (on Consolidated basis)

Adani Group, as a responsible business, has been committed to inclusive growth and sustainable development of disadvantaged rural and urban communities, in turn contributing towards nation-building.

Adani Foundation works in four key areas namely, Education, Community Health, Sustainable Livelihood Development and Community Infrastructure Development while aligning its focus with the Sustainable Development Goals (SDGs) of the United Nations.

Focusing on inclusive and sustainable growth of society, Adani Foundation emphasises on long-term behaviour change processes through special projects namely SuPoshan, Swachhagraha, Saksham and Udaan. The Foundation relentlessly works for empowering communities, enhancing quality of their lives and inspiring the hope of a better future. The Foundation perceives its role as an 'enabler' and 'facilitator', bridging the gaps between existing opportunities and potential beneficiaries, while investing in new facilities and infrastructure. This

approach has optimised community and individual growth in a sustainable manner.

Adani Foundation has been working relentlessly across 2,315 villages in 18 states of India, uplifting lives of 3.4 million people a year with a multi-faceted approach of development.

Adani Transmission Limited has been supporting the Foundation's **Udaan project** which is geared towards motivating the students of our country and encouraging the entrepreneurial spirit in their lives. It is a learning-based initiative focusing on UN's fourth Sustainable Development Goal - Quality Education.

The project hopes to inspire students into becoming leading visionaries and entrepreneurs of the nation. Since 2010, an utterly impressive 3.48 lakh students (all over India) and participants, from more than 5,200 institutions have visited business locations in Mundra (Gujarat), Hazira (Gujarat), Tiroda (Maharashtra), Kawai (Rajasthan) and Udupi (Karnataka). This year 6909 students from 110 institutions visited the Tiroda Power Plant facilities, Maharashtra.

Sustainable Livelihood

Empowering people through sustainable livelihoods helps them to transform their lives and contribute to the growth of the nation. Adani Foundation aims at holistic growth and development of the marginalized sections of the society by providing necessary skill development training and alternative livelihood opportunities, thereby reducing poverty and inequality.

Modern & Organic Methods in Agriculture: With the objective of promoting organic farming and boosting yield using System of Rice Intensification (SRI) method, Adani Foundation, in cooperation with respective Block Agriculture Departments, conducted various training programmes for the farmers this year. They have been introduced to various innovative and cost-saving practices in farm cultivation, techniques that included low-water usage and less labour-intensive organic method of growing crops. This year the project has been successfully implemented in 20,191 acres of land by 10,000 farmers of Tiroda region in Maharashtra.

As a result of this initiative, farmers today are saving big on input cost and are getting more income owing to increased yield too. On an average, this method increased the average yield by 2.42 Qtl./acre giving an average benefit of ₹ 4800/acre.

Farmers are also being encouraged to develop kitchen gardens to ensure their nutrition and dietary needs

are met. 4000 seeds kits were distributed among farmers in 15 villages of Tiroda to develop gardens in their backyard growing vegetables like Spinach, Ladies Finger, Bottle Gourd, Carrot etc.

Adani Foundation is also encouraging lac cultivation among farmers in Tiroda, to help them with an alternate livelihood. This year we have distributed 15 Lac insects packets to 200 farmers each. Each farmer is extracting 4kg-5kg of lac from one tree and selling it at a rate of ₹ 100-200/kg, giving a total earning of upto ₹ 12000- ₹15000.

In Tiroda, the livelihood initiatives for inclusive growth are directly and indirectly helping to achieve the SDG-2 & 8. The Organic SRI practices adopted by the farmers included economically vulnerable sections of villages, which are doubling the agriculture production and increasing the income of farmers. Organic farming initiatives Vermicompost, Biogas, Livestock development are increasing the soil fertility, improving food quality helping maintain the balance in the ecosystem. The Self-Help Groups' income generation activities Lac Bangles, Mushroom Production and Agarbatti Making are providing livelihood sources and encouraging women SHGs.

Livestock Development: With the support of the Group companies, Adani Foundation initiated a Cattle Breed Improvement Programme (CBIP) in the Tiroda region of Gondia district in Maharashtra. Taking into consideration the local needs of the cattle breeders and the availability of breed-able cattle, two Integrated Livestock Development Centres (ILDCs) have been established.

A total of 2336 AI procedures were conducted in the reporting period. Other supporting activities such as castration, first aid and extension activities related to livestock development were carried out. These services were provided to the farmers at their doorsteps.

With an objective to increase the awareness and motivate farmers, 10 animal treatment camps were conducted this year. A total of 2684 animals were treated in the medical camps and free medicines were also provided to cattle owners. As per the requirement, fodder seed and fertilizer were distributed to 368 farmers. Preventive vaccination against H.S. & B.Q. was administered to cattle with the support of the Department of Animal Husbandry.

Community Infrastructure Development

Quality rural infrastructure bears a direct influence on living standards and economic development in the

rural areas. Lack of it can even push the rural populace towards poverty and deprivation in the long run. At Adani Foundation, we have committed ourselves to building sustainable rural infrastructure to overcome developmental challenges at the rural areas keeping national goals in view.

Water Conservation

Rooftop Rain Water Harvesting, Pond Deepening, Recharging Bore-wells are affordable, easily implementable and highly replicable techniques for collection and storage of rain water at surface or in sub-surface aquifer, before it is lost as run-off. While building check dams in a developing country like India is indispensable, the above mentioned methods of water conservation and management help in reducing the overall cost and the demand of treated water and also economize the treatment plants' operation, maintenance and other distribution costs. These solutions have continued to yield a sustainable increase in groundwater levels and availability of water for consumption as well as irrigation. To give an overview, Adani Foundation's initiatives resulted in deepening of 350 ponds and building of 20 check dams, thereby increasing the water storage capacity to 78,17,468 CUM. Major water conservation efforts were focused in the regions of Mundra (Kutch), Tiroda (Maharashtra), Godda (Jharkhand) and Kawai (Rajasthan).

Adani Foundation began its water conservation activities in Tiroda in 2012. Here, water conservation practices reaped larger benefits as the results catered to the large agricultural community in this district which is referred to as a rice bowl in Maharashtra. Agricultural productivity was reducing year by year due to less rain and low water availability for the paddy crop at the time of grain formation stage. The focus of the water conservation activities here was to identify the irrigation system that are already existing (check dams/Malgujari tanks/percolation tanks/streams) rather than creating new infrastructure and also to create participatory irrigation management

co-operative societies. The impact multiplied as water storage capacity under the initiative touched 10,71,520 CUM, benefitting 4,588 families, surrounding cattle & wild life covering more than 11,494 acres of land.

Apart from water conservation, miscellaneous infrastructure support is given to villages to ensure prosperous communities in the villages where Adani Foundation carries out its activities in Tiroda. The following Community infrastructure development activities were conducted in Tiroda, this year:

- a. Toilet construction in five schools in Dhamneada, Berdipar, Mandavi, Sukali and Paldongari villages
- b. Construction of classrooms in Tiroda and Kawalewada villages
- c. Construction of community hall in Khairbodi and Gondmohadi villages

Anil Sardana
Managing Director and
CEO
(DIN: 00006867)

K. Jairaj
Director
(DIN: 01875126)

Annexure to the Directors' Report

Management Discussion and Analysis

1. Economy Review

1.1 Global Economy

The global economy experienced a major slowdown in 2019, and recession fears became prevalent towards the end of the year. The coronavirus (COVID-19) eruption is also having a severe effect on global economic activity. While the effect was muted to some extent by the considerable support from central banks and governments, the downturn reflects the effect of shutting down large parts of the economy as the authorities attempt to suppress the virus. Macroeconomic policy has moved into full crisis response mode with a host of targeted and more traditional monetary and fiscal easing measures being announced. As a result of the pandemic, the global economy is projected to contract sharply by -3% in 2020. Even with a sharp rebound in the

remainder of the year and sizable fiscal support, the Chinese economy is projected to grow at a subdued 1.2% in 2020.

Outlook

According to the International Monetary Fund (IMF), the global economy is projected to grow by 5.8% in 2021 as economic activity normalises, helped by policy support. A lot depends on the epidemiology of the virus, the effectiveness of control measures, and the development of therapeutics and vaccines, all of which are hard to envisage. The emerging markets and developing economies face additional challenges with unparalleled reversals in capital flows as global risk appetite wanes and currency pressures build, while managing with weaker health systems and more limited fiscal space to provide support.

Global Growth (%)

Particulars	Actual	Projections	
	2019	2020	2021
World output	2.9	-3.0	5.8
Advanced economies	1.7	-6.1	4.5
US	2.3	-5.9	4.7
Eurozone	1.2	-7.5	4.7
Japan	0.7	-5.2	3.0
UK	1.4	-6.5	4.0
Other advanced economies	1.7	-4.6	4.5
Emerging markets and developing economies	3.7	-1.0	6.6
China	6.1	1.2	9.2

Source: The International Monetary Fund (IMF)

1.2 Indian Economy

Under these trying circumstances, the IMF has estimated India's GDP growth projection to 1.9% in 2020. The output of eight core infrastructure industries shrank by 6.5% in March due to a fall in the production of crude oil, natural gas, refinery products, fertiliser, steel, cement and electricity amid the COVID-19 lockdown. The eight core sectors had expanded by 5.8% in March 2019.

Bringing relief to the situation, the Reserve Bank of India (RBI) has introduced a slew of measures to inoculate the economy against further decline. The banking regulator has cut down repo rate to a 15-year-low of 4.4%, allowed banks to stall EMIs for term loans for up to three months and increased liquidity by

cutting down Cash Reserve Ratio (CRR) to mitigate the effects of the lockdown. The government has announced fiscal stimulus totalling \$ 22.6 Billion, including direct cash transfers and food security measures. The breakdown of the Organization of the Petroleum Exporting Countries (OPEC) and Russia group, and the resultant fall in crude prices is a big positive for India, as it means reduced expenditure on oil imports.

Outlook

The likely duration, intensity and spread of the coronavirus has brought in increased uncertainty to the global and domestic economic outlook. The concerns have transformed from the impact of imports from China on domestic supply chains, into

Management Discussion and Analysis (Contd.)

a domestic and external demand shock, the duration of which remains uncertain, with social distancing and lockdowns raising the prospect of production shutdowns and job losses in some sectors.

Macro policy responses have been unprecedented in scale and scope and will serve to cushion the near-term shock. But with job losses occurring on an extreme scale and intense pressures on small and medium-sized businesses, the path back to normality after the health crisis subsides, is likely to be slow. India's economic growth has the potential to bounce back once the COVID-19 pandemic settles. This is due to the inward-looking nature of the economy with low, albeit increasing, linkages with other markets.

2. Industry Review

The Indian power sector has been a key driver for the country's socioeconomic growth since independence. With a customer base of more than 200 Million and service outreach spanning nearly 3.28 Million sq. km, the Indian power system is one of the largest and most complex power systems in the world. After the creation of the national grid post the integration of the five regional grids, the system now operates as a 'one nation-one frequency-one market' entity. In recent years, there has been substantial growth in installed generation capacity as well as Transmission and Distribution (T&D) infrastructure. India has achieved universal 100% electrification through the SAUBHAGYA scheme by providing electricity to more than 2.6 crore households with 100% village electrification.

2.1. Power Generation

There was a sustained decline in domestic power generation from June–November 2019, which can be partly accredited to the extended monsoons. In addition, the lower demand mainly from the industrial sector due to subdued economic activity and the lower purchase of power by the financially stressed power distribution companies, affected production. Domestic power generation continues to be led by conventional energy, which accounts for 90% of total generation. However, the growth in generation from conventional sources lagged behind that of renewable energy sources.

The national electric grid in India has an installed capacity of 370.1 GW as of 31st March 2020. Renewable power plants, which also include large hydroelectric plants, constitute 35.86% of India's total installed capacity. The total installed capacity is expected to grow from 369 GW to 1,000 GW by 2032. India's power supply scenario has remarkably improved as

a result of increased availability of electricity that has surpassed the growth in its requirement. During FY20, the energy deficit and peak deficit has been reduced to 0.5% and 0.7%, respectively.

The peak demand is expected to grow at 5.6% and likely to cross 370 GW while the energy requirement is expected to increase at 5.2% and likely to exceed 2,500 Billion Units (BUs) by 2032, respectively.

Total Installed Capacity

Fuel	MW	% of Total
Thermal	230.6	62.8%
Nuclear	6.8	1.9%
Hydro	45.7	12.4%
RES* (MNRE)	87.0	23.5%
Total	370.1	

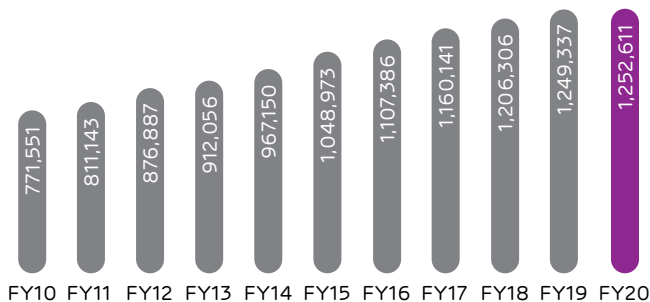
* Installed capacity in respect of RES (MNRE) as on 31.03.2020.

Renewable Energy Sources (RES) include small hydro project, biomass gasifier, biomass power, urban and industrial waste power, and solar and wind energy

Source: Central Electricity Authority (CEA)

Generation

(₹ in BUs)



Source: Central Electricity Authority (CEA)

2.2 Renewable Energy

India continues to grow its adoption of renewables, leading to significant drop in the cost of wind and solar power. In order to achieve the objectives, in 2015–16 the Government of India released a roadmap to achieve 175 GW of Renewable Energy (RE) capacity by 2022, which is one of the key actions to meet its commitments towards COP21 obligations. This roadmap also underlines its pledge to grow as a low carbon emitter. India's Intended Nationally Determined Contribution (INDC) commitments aim to

reduce emission intensity of GDP by 33–35% by 2030 from the 2005 level and to achieve 40% of installed capacity from non-fossil fuel by 2030.

According to a report by the International Energy Agency (IEA), the strong growth of renewables in India now accounts for almost 23% of the country's total installed capacity. Further, energy efficiency improvements in India avoided 15% of additional energy demand, oil and gas imports, and air pollution – as well as 300 MT of CO₂ emissions between 2000 and 2018. As per the report, increased access to affordable energy has raised the living standards of all segments of the country's population and adds that it believes India now has the institutional framework it needs to attract more investment for its growing energy needs. By raising the level of its energy efficiency ambition, India could save some \$ 190 Billion per year in energy imports by 2040 and avoid electricity generation of 875 terawatt-hours per year, accounting for almost half of India's current annual power generation.

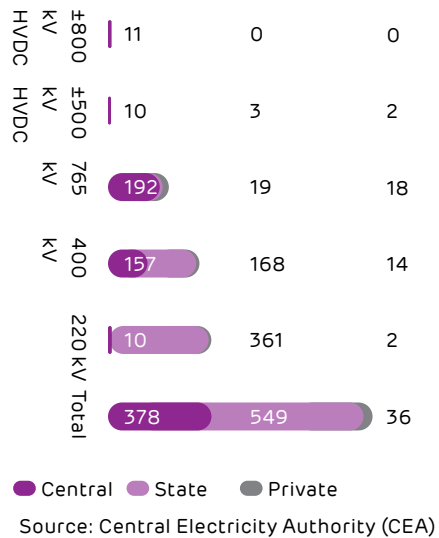
There is a significant transformation in the energy mix in India. Progressively declining costs, improved efficiency and reliability have made renewable energy a viable option for fulfilling India's energy needs in a sustainable manner, while also helping it pursue its commitment to the 2015 Paris agreement. The growth of renewable resources in India's generation mix has grown from 6.7% in 2016 to 24.47% in 2019 (installed capacity), signalling a significant transition underway from coal-fired power.

As a result, over the last decade, while the installed power generation capacity has experienced significant growth (at a CAGR of 9.3%), capacity addition through RE sources has exhibited a remarkable CAGR of 19% since 2006-07. The contribution of RE sources to the installed capacity has increased from 6% in 2006-07 to 22% in 2018-19. As per the latest CEA estimates, capacity addition in RE would achieve 227 GW by 2022 and 500 GW by 2030.

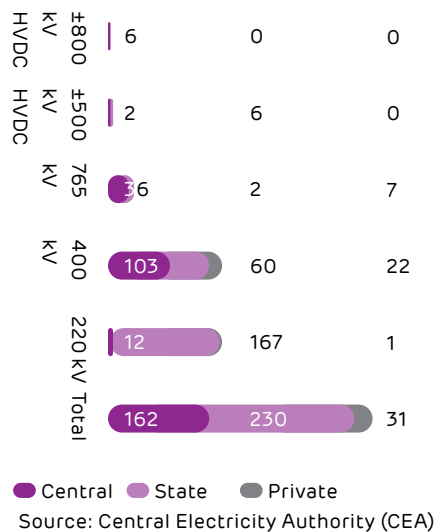
2.3 Power Transmission Sector

The backbone transmission system in India is mainly through 765 kV, 400 kV and 220 kV AC networks, with the highest transmission voltage level being 800 kV (HVDC). India has total transformation capacity and transmission line length of 9.62 lakh MVA and 4.23 lakh ckt km, respectively, as on February 2020.

Transformation Capacity (Thousands MVA)



Transmission Line Length (Thousands ckt km)



Management Discussion and Analysis (Contd.)

With changing generation mix on account of increased renewables, the government is emphasising on augmentation of transmission infrastructure to support demand growth. In order to expedite the development of transmission lines for solar parks, the government has decided to award these projects to private players through Tariff-based Competitive Bidding (TBCB). However, TBCB route-based transmission projects have witnessed very limited participation by the private sector, despite ~30-40% reduction in tariff discovered through TBCB route as opposed to the Regulated Tariff Mechanism (RTM) norms of the cost-plus route.

Currently, private sector players in India enjoy the ownership of ~7.5% total transmission network, while the public sector has a 92.5% share (as on February 2020). However, at the same time private players in generation constitute ~46% of market share in terms of installed capacity. This low share of private sector participation in the industry keeps India's transmission sector underinvested.

Key Drivers of India's Transmission Sector

Rising electricity demand	<ul style="list-style-type: none"> All-India peak demand for electricity is expected to grow from 173 GW to 370 GW by 2032 at a CAGR of ~5.6%, leading to higher investment in transmission space.
Focus on renewable energy addition	<ul style="list-style-type: none"> The Indian government has planned to ramp up renewable energy addition by ~175 GW by 2022. Due to its infirm nature and to provide stability to the grid, there is a requirement of dedicated corridors for renewable energy evacuation, which would lead to the requirement of new transmission projects.

Increased inter-regional demand-supply gap	The gap between demand and supply is widening across regions as load centres are situated away from conventional generation centres.
Upgradation of existing lines	Currently inter-state transmission runs at 400/765 kV level; higher voltage would lead to less ROW requirements and more transfer of power with reduced technical losses.
Government initiatives such as Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), Integrated Power Development Scheme (IPDS), SAUBHAGYA, 24x7 power supply and others	Government programmes are propelling demand, thereby creating the requirement of upgradation of up-stream network.

As per the CEA Transmission Perspective Plan 2016, major high capacity transmission corridors have already been implemented/awarded or are already planned for implementation, which would meet the inter-regional import/export of power till FY22. Resources have been identified in various states to meet India's ambitious renewable energy target in the renewable energy zones comprising wind, solar or both energies. Additional solar capacity of 50 GW and wind capacity of 16.5 GW is envisaged in 7 RE rich states too. This also indicates that over the next 5 years, India's transmission grid needs to keep pace with the country's increasing renewable and non-renewable power generation capacity. As per the economic survey 2018-19, additional \$ 250 Billion investment in renewable energy will be required by 2023-30.

India remains underinvested in the transmission sector; however, the future looks very promising, especially with the plans for rollout of government projects to boost transmission. After evaluating the central and state governments' planning documents, the total market size of transmission projects is estimated to be ₹ 3.4 Trillion till 2025.

2.4 Power Distribution Sector

Access to reliable and affordable electricity supply is an important factor for a country's socio-economic development. Distribution is the most important link in the entire power sector value chain for providing non-stop, quality and reliable power supply. The distribution companies in India have been

confronting various challenges such as the control of Aggregate Technical and Commercial (AT&C) losses, improvement in operational efficiencies, provision of round-the-clock electricity access to all households, which has jeopardised the commercial viabilities of the distribution company (DISCOMS).

Policy Support and Initiatives

Saubhagya Scheme	<ul style="list-style-type: none"> The Pradhan Mantri Sahaj Bijli Har Ghar Yojana – Saubhagya was launched by the government with the aim of achieving universal household electrification by March 2019. By 2018, a total of 25 states have achieved 100% household electrification, which included 23.1 million rural and 844,670 urban households.
National Electricity Fund	<ul style="list-style-type: none"> The Government of India established the National Electricity Fund (Interest Subsidy Scheme) in March 2012 to provide interest subsidy on loans disbursed to both public and private sector DISCOMS. This would promote investment in the distribution sector and improve the distribution network for areas not covered by Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) ;Restructured Accelerated Power Development and Reforms Programme (R-APDRP) project areas. The preconditions for eligibility are linked to certain reform measures undertaken by the state governments and the amount of interest subsidy is linked to the progress achieved in reform-linked parameters. As per the Ministry of Power (MoP), ~₹2,500 crore interest subsidy has been released to 12 states under the National Electricity Fund (Interest-Subsidy) Scheme till November 2019.
Integrated Power Development Scheme (IPDS)	<p>The government approved the scheme in November 2014 with a total outlay of ₹ 32,612 Crores. Its objectives include:</p> <ul style="list-style-type: none"> IT enablement of DISCOMS Strengthening of sub-transmission and distribution networks in urban areas Metering of distribution transformers/feeders/ consumers in urban areas

	<p>The component of IT enablement and strengthening of distribution network approved in June 2013 in the form of RAPDRP for the 12th and 13th Five Year Plans, got subsumed in this scheme and a CCEA-approved scheme outlay of ₹ 44,011 Crores, including a budgetary support of ₹ 22,727 Crores was granted under the new IPDS scheme. As per MoP till FY19, IT enablement of 648 towns has been completed out of the sanctioned projects for 4,879 towns.</p>
Ujwal DISCOMS Assurance Yojana (UDAY)	<ul style="list-style-type: none"> Launched by the Government of India to encourage operational and financial turnaround of state-owned DISCOMS, it aims to reduce AT&C losses by 15% by FY19.
	<ul style="list-style-type: none"> The Government of India has signed four MoUs with the state of Nagaland and Union Territories (UTs) of Andaman and Nicobar Islands, Dadra and Nagar Haveli and Daman and Diu under UDAY to improve operational efficiency of electricity departments in these places. Currently, DISCOMS are lagging behind in eliminating the gap between the average cost of supply and realisable revenue (ACS-ARR gap) and also missed the FY19 UDAY target of bringing down their AT&C losses to 15 %, from the current AT&C loss levels at 18.95% and ACR-ARR gap of ₹ 0.36/Unit (data for 26 states).

Source: **Uday Portal, MoP (Ministry of Power)**

2.5 Key Policies Announced in FY20

The government has announced the following proposals to:

- Set up large solar power capacity alongside rail tracks on railway land
- Allocated ₹ 220 Billion for the power and renewable energy sector and the government has urged state governments to implement smart meters
- Operationalise a scheme to enable farmers to set up solar power generation capacity on their fallow/ barren lands and to sell it to the grid

Management Discussion and Analysis (Contd.)

- Close power plants that are old and exceeding carbon emission norms. The land could be used for alternative purposes

The RBI too has announced measures for the overall economy that benefit the power sector as well:

- Delay on account of disruption of the supply chains due to the spread of COVID-19 in China or any other country to be treated as force majeure for all RE projects
- Three-month moratorium on DISCOMS making payment to generating and transmission companies, and a waiver of penalty for late payment
- Till 31st May 2020, the payment security mechanism to be maintained by the DISCOMS with the generators for dispatch of power to be reduced by 50%
- Generation/transmission companies to continue supply/transmission of electricity even to DISCOMS, which have large outstanding dues
- Ensure adequate supply of coal to facilitate uninterrupted supply of electricity
- Three-month moratorium in respect on all term loans of commercial banks, all-India financial institutions and NBFCs outstanding as on 1st March, 2020
- Deferment of interest on working capital facilities for a period of three months for all facilities outstanding as on 20th March 2020

In a bid to initiate reforms in the power sector, on 17th April 2020 the government made public the draft Electricity Bill, 2020, which seeks to remove subsidised electricity rates, cross-subsidy, complex tariff structure and strengthening regulators, among other things. The Bill proposes an overhaul of the power distribution sector, which is currently the weak link in the supply chain. It also proposes a franchisee model in private power distribution.

Amendments Introduced in the Electricity Act/ New Draft Electricity Bill, 2020

- Power tariff to be determined with no subsidy component
- Cross-subsidy on industry to be reduced over time
- Opens power distribution to franchisee and sub-licensee business
- Appellate Tribunal of Electricity to have powers similar to that of a Civil Court

- New contract dispute resolution authority to be formed
- Cost-reflective tariff and simpler power tariff structure to become law
- Load despatch centres to also monitor payment by states before electricity supply
- New Renewable Energy Policy to be drafted

Outlook

Electricity demand is expected to contract during the year, largely driven by slippages in commercial and industrial demand. With the industrial and commercial sector together accounting for nearly 50% of the country's electricity consumption, a decline in their consumption would no doubt weigh down overall demand. With the pandemic bringing activity in these sectors to a standstill, electricity demand by these segments is to see a significant decline this year.

According to ICRA, India's electricity sector is likely to register a decline in power demand by 1% and a drop in Plant Load Factor (PLF) to 54% for FY21. Given that lockdown would impact project implementation in Q1 of FY21 and assuming normalcy thereafter, the capacity addition in the wind and solar segments together is likely to lower by about 25% to 8 GW against earlier estimates of 11 GW for FY21.

3. Company Overview

ATL, the largest private sector power transmission company of India, operates and maintains around 11,576 ckt km of transmission lines ranging from 132 kV to 765 kV, with a total transformation capacity around 18,330 MVA. It has 16 fully operational transmission architectures that primarily serve the northern and western regions of India. Currently, ATL is developing eight additional projects comprising ~3,164 ckt km transmission lines with transformation

capacity of 7,450 MVA in the states of Rajasthan, Uttar Pradesh, Jharkhand, Gujarat and Bihar, which it received through the TBCB process. ATL has successfully executed many Extra High Voltage (EHV) sub-stations (HVDC 765 kV and 400 kV sub-stations) projects, along with several transmission lines in India.

Progress and Achievements

ATL is among India's most technologically sophisticated power transmission companies. It is the first private-sector company to execute 765 kV transmission lines and sub-stations in Maharashtra. Over the years, it has created a niche for itself in the country's power transmission sector with the following feats:

- i. Established India's only private HVDC transmission system (more than 1,000 km) for efficient transmission of power from Gujarat to Haryana with maximum evacuation capacity of 2,500 MW
- ii. Obtained approval for the transmission line methodology under Clean Development Mechanism (CDM) from the United Nations Framework Convention on Climate Change (UNFCCC)
- iii. Started operations of GTD assets from Reliance Infra comprising 500 MW power generation, 566 ckt km transmission line and 3 Million+ retail consumers
- iv. Last element of Chhattisgarh WR Transmission System Ltd., i.e. LILO of 765 kV Aurangabad – Padghe

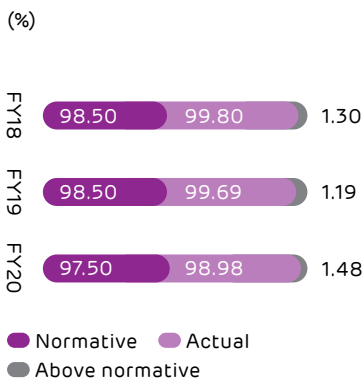
of ~130 ckt km has been successfully commissioned in August 2019

- v. 400 kV Ghatampur–Kanpur transmission line of ~98 ckt km under Ghatampur Transmission Ltd., has been declared to achieve deemed commissioning w.e.f. February 2020 within SCOD and other elements are also progressing on track to achieve their respective SCOD in FY21
- vi. Won six transmission projects (including HVDC line in Mumbai), out of which four projects are in under-construction phase:
 - WRSS XXI(A) Transco Limited [WRSS XXI(A)] – Above 290 ckt km and 3000 MVA transformation capacity
 - Lakadia Banaskantha Transco Limited (LBTL) – Above 351 ckt km
 - Jam Khambaliya Transco Limited (JKTL) – Above 38 ckt km and 2500 MVA transformation capacity
 - Bikaner-Khetri Transmission Limited (BKTL) – Above 472 ckt km
 - Khargar-Vikhroli – Acquisition in progress

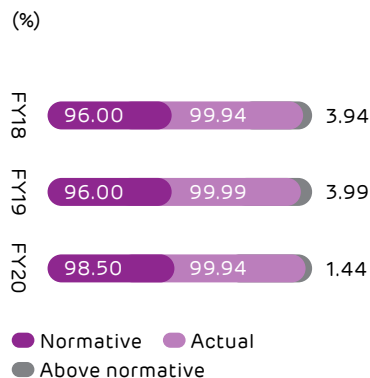
Operating History

ATL has excellent operating history with a track-record of receiving incentive payments for maintaining availability above regulatory requirements, i.e. 99.76% in FY20.

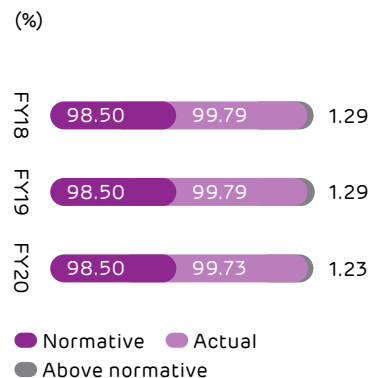
±500 kV Mundra-Mahendragarh HVDC Transmission System



±500 kV Mundra-Mahendragarh HVAC Transmission System



400 kV Mundra-Sami-Dehgam Transmission System

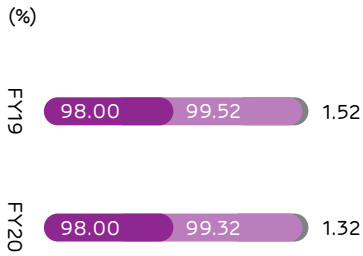


Management Discussion and Analysis (Contd.)



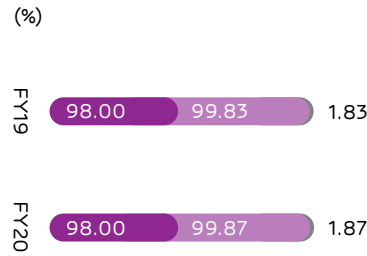
Note: Actual availability figures are provisional, which are subject to change based on final availability certificates to be issued by State Load Despatch Centres (SLDCs) / Regional Load Despatch Centres (RLDCs)

Adani Transmission (Rajasthan) Ltd. (ATRL)



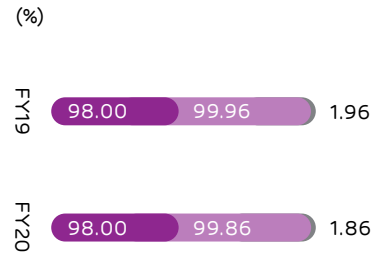
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Sipat Transmission Ltd. (STL)



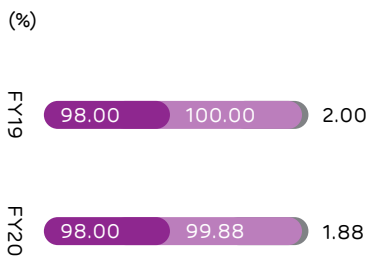
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Thar Power Transmission Service Ltd. (TPTSL)



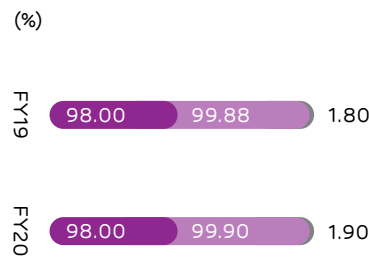
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Raipur-Rajnandgaon-Warora Transmission Ltd. (RRWTL)



● Normative ● Actual
● Above normative

Hadoti Power Transmission Service Ltd. (HPTSL)



● Normative ● Actual
● Above Normative

Note: Actual availability figures are provisional, which are subject to change based on final availability certificates to be issued by SLDCs/RLDC

Adani Electricity Mumbai Limited (AEML)

Since its inception in 1926, AEML has been the primary supplier of electricity to Mumbai, serving approximately 67% of its population and approximately 85% of its geographic area. AEML services consumers in suburban Mumbai and the Mira-Bhayandar Municipal Corporation area in the Thane District (adjoining Mumbai), spanning an area of over 400 sq. km. Our integrated electricity GTD utility, provides electricity to over 3.04 Million households with an outreach to over 12 Million consumers of Mumbai and an annual energy requirement of over 10,800 MUs.

Mumbai, the state capital of Maharashtra, is also India's financial capital and one of the top 10 centres of commerce in the world. It is the seventh most populous city in the world, the 24th richest city in the world (based on USD GDP) and its real GDP growth between FY12 and FY18 was approximately 11% per annum. Mumbai contributes approximately 6% to India's real GDP. The average per capita income of Mumbai residents is approximately \$ 8,700, which is approximately four times the per capita income of an average Indian resident. Further, the electricity consumption of Mumbai for FY19 was 18,341 MUs. The average electricity bill of our consumers in FY19 was approximately \$ 95, which was

Management Discussion and Analysis (Contd.)

approximately 1.1% of the per capita income of the average Mumbai resident.

Our integrated electricity supply system also includes 541 ckm of 220 kV transmission lines, consisting of overhead and underground cable systems, eight 220/33 kV EHV stations, 115 220 kV bays and 285 33 kV bays, with installed transformation capacity of 3,125 MVA and embedded 500 MW of power generation. Our 'grid-to-switch' integrated platform makes us one of the largest private integrated electric utilities in India.

Operational Highlights

Consumer Network (Lakhs)

	FY20	FY19
	30.50	30.30

Distribution Loss (%)

	FY20	FY19
	7.37*	7.85

	FY20	FY19
Distribution High Tension (HT) cable length	4,860	4,798
Distribution Low Tension (LT) cable length	6,226	6,139

Total MUs

	FY20	FY19
Own consumers	8,455	8,376
Total (incl. c/o & o/a)	10,327	10,169

Key Highlights

- The Maharashtra Electricity Regulatory Commission (MERC) has approved the Multi-year Tariff (MYT) Order for FY21-22 to FY24-25. The following are the key highlights
 - Tariffs have been reduced by 18% compared to the last year, leading to consumer benefit
 - Rationalisation of categories: 22 categories reduced to 12, thereby improving ease of billing
 - Discount of ₹ 10 per month for consumers opting for e-bill to reduce carbon footprint
 - Cash receipts limited to ₹ 5,000 per consumer, to promote digital payments
- Qatar Investment Authority invested ~3,220 Crores for a 25.10% stake in AEML and for shareholder subordinated debt in AEML

- Completed first ever US Dollar bond issuance by a private integrated utility from India, raising \$ 1 Billion at 3.949% coupon with a bullet maturity for a tenure of 10 years. The issue generated significant interest from international investors and was oversubscribed 5.9x
- Capex plans have been drawn up at AEML Mumbai Distribution business, and rolling capex facility of \$ 400 Million has been tied-up.

Going Forward

Customer Centricity

- Genius Pay, a payment-cum-service channel, has been rolled out to provide all payment options, in addition to complaint registrations and query handling services. Cumulatively, these kiosks have already handled approximately 5 lakh transactions and collected ~₹48 crore in payments over 6 months
- WhatsApp business account with chatbot has been introduced – a first-in-class feature to enhance self help
- Contact centres have been thoroughly revamped for better inbound call handling, leading to ~94% reduction in average wait time, 63% points improvement in service levels and 32% points reduction in call abandonment rates over the period of August 2018 to February 2020

Sustainability Initiatives

- AEML is committed to increasing the share of renewable power procurement from the current 3% to 30% by 2023 and 50% by 2025
- Tied up with hybrid (solar + wind) 700 MW PPA with minimum guaranteed Capacity Utilisation Factor of 50%
- Use of non-carcinogenic biodegradable silica gel in our transformers
- Replacement of High-pressure Sodium Vapour (HPSV) lamps with LED lamps in streetlights
- Replacement of petrol/diesel vehicles with electric ones in our fleet
- Replacement of oil type switch gears with dry type maintenance-free switch gears
- Use of environment-friendly ester filled transformers

*Provisional figure as March sales values are estimated owing to COVID-19 related restrictions.

4. Financial Review

Snapshot

Particulars	FY20	FY19
Transmission tariff	2657	2212
Sale of power	7,532	4270
Incentive	48	48
Income from operations	10,237	6530
Less:		
O&M expenses	2,252	1382
Power and fuel expenses	3,697	2291
EBIDTA from operation	4,287	2857
EBIDTA margin transmission (operations)	92%	91%
EBIDTA margin distribution (operations)	24%	19%
Add:		
Sale of traded goods/EPC	925	842
Construction income	-	19
Carrying cost income	-	4
Other income	265	255
Regulatory income/(expense)	(233)	96
Less: Purchase of traded material/EPC	924	839
Less : CSR Exp	18	18
Less: Construction cost	-	14
Less: Other one-time provision/ write-off	38	-
EBIDTA with other income	4,265	3,203
Less: Finance cost	2,238	1,391
Less: Depreciation	1,174	882
PBT (before one time effect)	852	930
Arrear income/(revenue reversal as per true up order)	254	(90)
PBT	1,107	840
Less : Tax	214	192
Less: Deferred tax	329	183
Less: Deferred assets recoverable/adjustable	(143)	(94)
PAT	707	559
Other Comprehensive income (MTM loss)	120	8
Total comprehensive income	827	567

Note: In FY19 in pursuant to acquisition of Adani Electricity Mumbai Limited (AEML) (distribution) in August 2018, FY20 figures are not comparable.

5. Impact of COVID-19

The domestic power sector is feeling the impact of the global spread of the virus and the resultant lockdowns. It has not only led to a fall in electricity consumption but has obstructed the supply of key inputs for generators, which would cause project delays, thereby resulting in time and cost overruns. It is also adding to the financial stress of power producers and DISCOMS. The severity of the impact is difficult to ascertain, given the uncertainty associated with containing the spread of the virus.

The daily power demand in the country has fallen by 25% since mid-March 2020, when most parts of

the country imposed restriction and shutdowns. Electricity consumption in the country fell from 3,494 MUs on 16th March 2020 to 2,628 MUs on 28th March 2020. The drop in consumption has been notably higher touching almost 30% in the northern and western regions of the country. The southern regions have reported a decline of 19%.

Generators and DISCOMS are being impacted with dwindling finances due to the imposed lockdown. The latter are unable to collect payments from consumers and they, in turn, are not paying generators. State governments would further delay the release of subsidies. Given that usually most of the payments for past supply are collected/made towards the end

Management Discussion and Analysis (Contd.)

of the financial year (March), the delays would have significant financial implications. Despite states making monthly payments to generators since August 2019, after the power ministry made it mandatory for DISCOMS to maintain LC as payment security for power purchases, there exists sizeable past dues that need to be cleared. Further, the fall in demand would impact revenues of generators and distributors alike.

ATL Business Continuity Plan

Operational Projects

In the case of ATL's transmission assets operational projects, the transmission tariff is directly related to the transmission system availability and has no relation with power flow. Hence, there is no impact on revenue/incentive. Although our payment may get delayed by a month or two, it will not affect our financials, as we will be entitled to Late Payment Surcharge (LPSC) on these delays and therefore, only cash flow will be affected.

- The remote work arrangements have not affected the ability of the ATL team
- The sub-station O&M staff (as necessary for maintaining the operations) are quarantined within the sub-stations. The transmission line staff are on home quarantine and available to attend any emergency. Thereby, the availability of the assets is ensured.
- The O&M team at the Head Office (HO) works from home effectively and manages remotely. However, they are ready to move to sites in case of any emergency.
- Since power transmission comes under 'essential services', there has been no issue in travel under emergency conditions and maintaining the availability of assets.
- Transmission revenue/incentive is not impacted since the revenues are directly related to the availability of the assets and have no relation to the power flow.
- Some non-essential maintenance activities, which were planned during 23rd March 2020 to 14th April 2020, have been deferred.
- Non-operational entities: We issued notice of force majeure due to disturbance in supply chain in the months of February and March 2020, declaring that we are facing difficulties in getting our supplies, which will delay our project. Since it is claimable, there is no impact on profitability.

- No impact on our financial reporting system along with internal operations, as the team works from home with requisite system availability. All processes are executed following the delegation of authority.

6. Internal Control System

The Company has put in place robust internal control systems and best-in-class processes, commensurate with its size and scale of operations. There is a well-established system of multi-disciplinary Management Audit & Assurance Services (MA&AS) that comprises professionally qualified accountants, engineers and SAP experienced executives. The team conducts extensive audit throughout the year across all functional areas and submits its reports to the Management and Audit Committee. The reports contain information regarding the compliance with internal controls and efficiency, along with effectiveness of operations and key process risks.

Key features of the Company's internal controls system include:

- Adequate documentation of policies and guidelines
- Preparation and monitoring of annual budgets through monthly review for all operating service functions
- The MA&AS department prepares a Risk Based Internal Audit scope with the frequency of audit being decided by risk ratings of areas/functions. Risk based scope is discussed amongst the MA&AS team, functional heads/process owners/CEO and CFO. The audit plan is formally reviewed and approved by the Audit Committee of the Board.
- The entire internal audit processes are web enabled and managed on-line by our Audit Management System.
- The Company has a strong compliance management system, which runs on an online monitoring system.
- The Company has a well-defined delegation of power with authority limits for approving revenue and capex expenditure, which is reviewed and suitably amended on an annual basis.
- The Company uses an ERP system (SAP) to record data for accounting, consolidation and management information purposes and connects to different locations for efficient exchange of information.

- Apart from having all policies, procedures and internal audit mechanism in place, the Company periodically engages outside experts to carry out an independent review of the effectiveness of various business processes and invites suggestions for process improvement.
- Internal Audit is carried out in accordance with the auditing standards to review design effectiveness of the internal control system and procedures to manage risks, operation of monitoring control, compliance with relevant policies and procedures, and recommend improvement in processes and procedures,

The Audit Committee of the Board of Directors regularly reviews the execution of the Audit Plan as well as the adequacy and effectiveness of internal audit systems. It also monitors the implementation of internal audit recommendations, including those related to strengthening the Company's risk management policies and systems.

7. Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations and others may constitute 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results may differ from those expected or implied. Several factors that could significantly impact the Company's operations include economic conditions affecting demand; supply and price conditions in the markets; changes in technology; changes in the government regulations, tax laws and other statutes; climatic conditions and such incidental factors, over which the Company does not have any direct control. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Overview of Electricity Distribution Sector

Access to reliable and affordable electricity supply is an important factor for Socio-economic development in any country. Distribution is the most important link in the entire power sector value chain for providing 24X7 quality and reliable power supply. The distribution companies in India have been confronting various challenges such as controlling aggregate technical and commercial (AT&C) losses, improving operational efficiencies, providing 24X7 electricity access to all households, which thereby, jeopardizing the commercial viabilities of the Discoms. The gap between Average Cost of Supply and Average Revenue Realization has risen to INR 0.59 in FY 16. Further, Discoms electricity distribution network is aged and in dilapidated condition primarily in rural and semi-urban areas which is resulting in frequent outages.

In order to strengthen the distribution IT and Physical infrastructure, Government of India has been continually launching various schemes such as APDRP / RAPDRP, IPDS, RGGVY, DDUGVY. Apart from this, GOI has been pushing states to undertake reforms through NEF wherein, Discoms are eligible to get loans on softer rate based on the series of power reforms adopted by the state. A brief snippet of schemes is provided below.

Integrated Power Development Scheme (IPDS): Govt approved the scheme in Nov. 2014 having a total outlay of ₹ 32,612 Crore with the following objectives:

- Enablement of distribution companies
- Strengthening of sub-transmission and distribution networks in the urban areas
- Metering of distribution transformers / feeders / consumers in the urban area.

The component of IT enablement and strengthening of distribution network approved in June, 2013 in the form of RAPDRP for 12th and 13th Plans got subsumed in this scheme and approved the scheme outlay of ₹ 44,011 Crore under the new IPDS scheme.

Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY): Govt approved the Scheme in Nov. 2014 having a total outlay of ₹ 44,033 Crore with the following objectives:

- Separation of agriculture and non-agriculture feeders
- Strengthening of sub-transmission and distribution networks in the rural areas;
- Metering of distribution transformers / feeders / consumers in the rural area.
- Rural Electrification

The component of Rural Electrification approved in the form of RGGVY for 12th and 13th Plans got subsumed in this scheme.

National Electricity Fund: To promote investment in the distribution sector, Govt has set up National Electricity Fund (Interest Subsidy Scheme) in March 2012 to provide interest subsidy on loans disbursed to the Distribution Companies (DISCOMS) – both in public and private sector, to improve the distribution network for areas not covered by RGGVY and R-APDRP project areas. The preconditions for eligibility are linked to certain reform measures taken by the States and the amount of interest subsidy is linked to the progress achieved in reforms linked parameters.

Ujwal DISCOM Assurance Yojana (UDAY): The financial health of Discoms has always been a grave concern for providing the 24X7 quality, reliable and affordable power supply to the end consumers. To combat this issue, Ministry of Power, launched UDAY in November 2015 under which States have taken over 75% of the DISCOM debt. In lieu of that, States issued bonds with maturity period of 10-15 years. So far, 32 states have signed the MOU and bond worth ~INR 2.32 Lacs Crores have been issued against a target of ~ 2.69 Lacs Crores. Apart from this, in FY 18 Post signing of UDAY scheme, AT&C loss level and gap between ACS & ARR has reduced by 2% and 42 Paise respectively from FY 16 level. The scheme envisages the following benefits:

- Financial Turn around through elimination of ACS-ARR gap
- Operational improvement through reduction in AT&C losses enabled by metering at all levels
- Reduction of Power generation cost enabled by increased domestic coal supply, allocation of coal linkages at notified prices, coal linkage rationalization, allowing coal swaps, supply of washed and crushed coal etc.
- Development of Renewable Energy
- Energy efficiency & conservation

UDAY Scheme has yielded some short term benefits in terms of reduction in interest burden.

To promote the retail competition; draft Electricity Bill 2018 proposes separation of carriage and content. Further, few states have also come up with electricity distribution franchisee to bring in operational efficiencies in terms of reduction on AT&C losses. Moreover, smart metering at consumer level is also being implemented by EESL which is expected to reduce the AT&C losses and enable taking other measures to improve the operational efficiencies of Discoms.

In order to provide 24X7 reliable and quality power supply, private sector interventions are required. Public Private Partnership model similar to being followed in Delhi privatization can be the key for providing 24X7 reliable,

quality and affordable power supply in urban areas for sustainable economic growth.

Adani Electricity Mumbai Limited

Adani Electricity Mumbai Ltd (AEML), part of the diversified Adani Group, is an integrated business of power Generation, Transmission & Retail Electricity Distribution. It serves over three million consumers spread across 400 sq. kms in Mumbai and its suburbs with 99.99% reliability, among the highest in the country. Adani Electricity meets close to 2,000 MW of power demand in Mumbai's largest and the most efficient power distribution network

As an organization, Adani Electricity believes in the motto - The Power of Service. It is born of the will to make a difference and change things for the better, so that everyone can power their dreams and live stress-free life.

Adani Electricity continues the quest of providing the best quality service to the customers entrusted into the brand motto of the Power of Service. The company is committed

to creating new and innovative approaches in operations and services that contribute to the development of the customers.

Since the transition, Adani Electricity has achieved a 99.2% Billing & Collection Efficiency.

The company has seen the lowest ever Distribution Loss in in FY20 at 7.37%* down from 7.85% in FY19.

There are ongoing developments of various in house mobile based productivity applications for efficient working related to the fields of Meter Reading, Bill Distribution, New Connection, Vigilance Activities are being taken up by the company to create better and newer experiences for the customers.

It provides world-class customer care services with the help of advanced technologies. Adani Electricity plans to expand its presence in newer geographies in pursuit of India's vision of 'Power for All'.

*Provisional figure as March sales values are estimated owing to COVID-19 related restrictions.

Annexure to the Directors' Report Corporate Governance Report

1. Company's Philosophy On Corporate Governance

Corporate Governance is about meeting our strategic goals responsibly and transparently, while being accountable to our stakeholders. The Company is equipped with a robust framework of corporate governance that considers the long-term interest of every stakeholder as we operate with a commitment to integrity, fairness, equity, transparency, accountability and commitment to values. The framework lays down procedures and mechanisms for enhancing leadership for smooth administration and productive collaboration among employees, value chain, community, investors and the Government.

Courage, Trust and Commitment are the main tenants of our Corporate Governance Philosophy –

- **Courage:** we shall embrace new ideas and businesses. Take calculated risks in pursuing new and big business opportunities.
- **Trust:** we shall stand by our promises and adhere to high standards of business.
- **Commitment:** we shall believe in our employees and other stakeholders.

The Company is in compliance with the conditions of corporate governance as required under the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable.

2. Board of Directors

The "Board", being the trustee of the Company, responsible for the establishment of cultural, ethical and accountable growth of the Company, is constituted with a high level of integrated, knowledgeable and committed professionals. The Board provides strategic guidance and independent

views to the Company's senior management while discharging its fiduciary responsibilities.

Composition of the Board

The Company has a balanced board with optimum combination of Executive and Non-Executive Directors, including independent professionals, which plays a crucial role in Board processes and provides independent judgment on issues of strategy and performance. The Board currently comprises 6 (Six) Directors out of which 3 (Three) Directors (50%) are Executive Directors and remaining 3 (Three) are Independent Directors. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1) (b) of the SEBI Listing Regulations and Section 149 of the Companies Act, 2013.

The present strength of the Board reflects judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

None of the Directors is a Director in more than 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies. Further, none of the Directors on the Company's Board is a Member of more than 10 (ten) Committees and Chairman of more than 5 (five) Committees (Committees being, Audit Committee and Stakeholders' Relationship Committee) across all the companies in which he/she is a Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than 10 (ten) public companies as on 31st March 2020.

The composition of the Board of Directors and the number of Directorships and Committee positions held by them as on 31st March 2020 are as under:

Name and Designation (DIN) of Director	Category	No. of other Directorships held ¹ (Other than ATL)	No. of Board Committees ² (other than ATL) in which Chairman/Member.	
			Chairman	Member
Mr. Gautam S. Adani, Chairman (DIN: 00006273)	Promoter Executive	5	-	-
Mr. Rajesh S. Adani, Director (DIN: 00006322)	Promoter Executive	4	1	7
Mr. Anil Kumar Sardana Managing Director & CEO (DIN: 00006867)	Executive Director	2	-	1
Mr. K. Jairaj, Director (DIN: 01875126)	Non-Executive (Independent)	8	1	1
Dr. Ravindra H. Dholakia, Director (DIN: 00069396)	Non-Executive (Independent)	1	1	-
Mrs. Meera Shankar, Director (DIN: 06374957)	Non-Executive (Independent)	4	-	1

Notes:

1. The Directorships held by the Directors, as mentioned above excludes alternate directorships, directorships in foreign companies, Companies under Section 8 of the Companies Act, 2013 and Private Limited Companies which are not the subsidiaries of Public Limited Companies.
2. Represents Membership/Chairmanship of two Committees viz. Audit Committee and Stakeholders' Relationship Committee as per Regulation 26 of the SEBI Listing Regulations.
3. As on 31st March 2020, none of the Directors of the Company were related to each other except Mr. Rajesh S. Adani, Director being brother of Mr. Gautam S. Adani, Chairman.

Details of name of other listed entities where Directors of the Company are Directors and the category of Directorship as on 31st March 2020 are as under:

Name of Director	Name of other Listed entities in which the concerned Director is a Director	Category of Directorship
Mr. Gautam S. Adani (DIN: 00006273)	Adani Ports and Special Economic Zone Ltd.	Promoter Executive
	Adani Enterprises Ltd.	Promoter Executive
	Adani Gas Ltd.	Promoter Non-Executive
	Adani Power Ltd.	Promoter Non-Executive
	Adani Green Energy Ltd.	Promoter Non-Executive
Mr. Rajesh S. Adani (DIN: 00006322)	Adani Ports and Special Economic Zone Ltd.	Promoter Non-Executive
	Adani Enterprises Ltd.	Promoter Executive
	Adani Power Ltd.	Promoter Executive
	Adani Green Energy Ltd.	Promoter Non-Executive
Mr. Anil Sardana Managing Director & CEO (DIN: 00006867)	Not Applicable	Not Applicable
Dr. Ravindra H. Dholakia Director (DIN: 00069396)	Not Applicable	Not Applicable
Mr. K. Jairaj Director (DIN:01875126)	CESC Limited	Non-Executive Independent
	CESC Ventures Limited	Non-Executive Independent
Mrs. Meera Shankar Director (DIN: 06374957)	ITC Limited	Non-Executive Independent
	Pidilite Industries Limited	Non-Executive Independent
	JK Tyre & Industries Limited	Non-Executive Independent
	Hexaware Technologies Ltd.	Non-Executive Independent

Corporate Governance Report (Contd.)

Board Meetings and Procedure

The internal guidelines for Board/Committee meetings facilitate the decision making process at the meetings of the Board/Committees in an informed and efficient manner.

Board Meetings are governed by structured agenda. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. The Company Secretary in consultation with the Senior Management prepares the detailed agenda for the meetings.

Agenda papers and Notes on Agenda are circulated to the Directors, in advance, in the defined Agenda format. All material information are being circulated along with Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are permitted. In order to transact some urgent business, which may come up after circulation agenda papers, the same is placed before the Board by way of Table Agenda or Chairman's Agenda. Frequent and detailed deliberation on the agenda provides the strategic roadmap for the future growth of the Company.

Minimum 4 (four) pre-scheduled Board meetings are held every year. Apart from the above, additional Board meetings are convened by giving appropriate notice to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are also passed by way of circulation. The meetings are usually held at the Company's Registered Office at Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009, Gujarat.

Detailed presentations are made at the Board/Committee meetings covering Finance, major business segments and operations of the Company,

global business environment, all business areas of the Company including business opportunities, business strategy and the risk management practices before taking on record the quarterly/half yearly/annual financial results of the Company.

The required information as enumerated in Part A of Schedule II to SEBI Listing Regulations is made available to the Board of Directors for discussions and consideration at every Board Meetings. The Board periodically reviews compliance reports of all laws applicable to the Company as required under Regulation 17(3) of the SEBI Listing Regulations.

The important decisions taken at the Board/Committee meetings are communicated to departments concerned promptly. Action taken report on the decisions taken at the meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting by the Board/Committee.

4 (Four) Board Meetings were held during the Financial Year 2019-20. The Company has held at least one Board meeting in every quarter and the gap between two meetings did not exceed one hundred and twenty days. The necessary quorum was present in all the meetings. Leave of absence was granted to the concerned directors who could not attend the respective board meeting on request. The dates on which the Board Meetings were held during FY 2019-20 are as follows:

28th May 2019, 8th August 2019, 7th November 2019 and 13th February 2020.

The Companies Act, 2013 read with the relevant rules made thereunder, now facilitates the participation of a Director in Board/Committee Meetings through video conferencing or other audio visual mode. Accordingly, the option to participate in the Meeting through video conferencing was made available for the Directors except in respect of such Meetings/Items which are not permitted to be transacted through video conferencing.

The details of attendance of Directors at the Board Meetings and at the last Annual General Meeting are as under:

Name of Director(s)	Number of Board Meetings held and attended during FY 2019-20		Attended Last AGM
	Held during the tenure	Attended	
Mr. Gautam S. Adani	4	4	Yes
Mr. Rajesh S. Adani	4	4	Yes
Mr. Anil Sardana	4	4	Yes
Mr. K. Jairaj	4	4	No
Dr. Ravindra H. Dholakia	4	4	Yes
Mrs. Meera Shankar	4	4	Yes

During the year, the Board of Directors accepted all recommendations of the Committees of the Board, which were statutory in nature and required to be recommended by the Committee and approved by the Board of Directors. Hence, the Company is in compliance of condition of clause 10(j) of schedule V of the SEBI Listing Regulations.

During the year under review, the Board of Directors of the Company have amended/approved changes in Corporate Social Responsibility policy; Nomination and Remuneration Policy of Directors, Key Managerial Personnel and Other Employees; Policy for determining Material Subsidiaries; Related

Party Transaction Policy; Vigil Mechanism/Whistle-Blower Policy; Code of Conduct for Board of Directors and Senior Management of the Company; Material Events Policy; Website Content Archival Policy and Code of internal procedures and conduct for regulating, monitoring and reporting of Trading by Insiders to comply with the recent amendments in the Companies Act, 2013 and SEBI Regulations. 21 (Twenty One) new policy documents were added from good governance perspective. Accordingly, the updated policies are uploaded on website of the Company at <https://www.adanitransmission.com/investors/corporate-governance>.

Skills/expertise competencies of the Board of Directors:

The following is the list of core skills/competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available within the Board Members:

Business Leadership	Leadership experience including in areas of business development, strategic planning, succession planning, driving change and long-term growth and guiding the Company and its senior management towards its vision and values.
Financial Expertise	Knowledge and skills in accounting, finance, treasury management, tax and financial management of large corporations with understanding of capital allocation, funding and financial reporting processes.
Risk Management	Ability to understand and assess the key risks to the organisation, legal compliances and ensure that appropriate policies and procedures are in place to effectively manage risk.
Global Experience	Global mindset and staying updated on global market opportunities, competition experience in driving business success around the world with an understanding of diverse business environments, economic conditions and regulatory frameworks.
Merger & Acquisition	Ability to assess 'build or buy' & timing of decisions, analyse the fit of a target with the Company's strategy and evaluate operational integration plans.
Corporate Governance & ESG	Experience in implementing good corporate governance practices, reviewing compliance and governance practices for a sustainable growth of the Company and protecting stakeholders interest.
Technology & Innovations	Experience or knowledge of emerging areas of technology such as digital, artificial intelligence, cyber security, data centre, data security etc.

In the table below, the specific areas of focus or expertise of individual board members have been highlighted.

Name of Director	Areas of Skills/Expertise						
	Business Leadership	Financial Expertise	Risk Management	Global Experience	Corporate Governance & ESG	Merger & Acquisition	Technology & Innovation
Mr. Gautam Adani	✓	✓	✓	✓	✓	✓	✓
Mr. Rajesh Adani	✓	✓	✓	✓	✓	✓	✓
Mr. Anil Sardana	✓	✓	✓	✓	✓	✓	✓
Mr. K. Jairaj	✓	✓	✓	✓	✓	✓	✓
Dr. Ravindra Dholakia	✓	✓	✓	✓	✓	✓	✓
Mrs. Meera Shankar	✓	✓	✓	✓	✓	✓	✓

Note: Each Director may possess varied combinations of skills/ expertise within the described set of parameters and it is not necessary that all Directors possess all skills/ expertise listed therein.

Corporate Governance Report (Contd.)

Confirmation as regards independence of Independent Directors

It is confirmed that in the opinion of the board, the independent directors fulfil the conditions specified in these regulations and are independent of the management.

Notes on Directors appointment/re-appointment

Brief resume(s) of the Directors proposed to be appointed/re-appointed are given in the Explanatory Statement annexed to the Notice convening the Annual General Meeting.

3. Committees of The Board

The Board Committees play a vital role in ensuring sound Corporate Governance practices. The Committees are constituted to handle specific activities and ensure speedy resolution of the diverse matters. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles under which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all the Committees are placed before the Board for review. As on date the Board has established the following Committees:

- A. Audit Committee
- B. Nomination and Remuneration Committee
- C. Stakeholders' Relationship Committee
- D. Corporate Social Responsibility & Sustainability (CSR&S) Committee
- E. Risk Management Committee
- F. Securities Transfer Committee

A. Audit Committee

The Audit Committee acts as a link among the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company. The Committee's purpose is to oversee the quality and integrity of accounting, auditing and financial reporting process including review of the internal audit reports and action taken report.

Terms of Reference:

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under SEBI Listing Regulations as amended from time to time and Section 177 of the Companies Act, 2013. The brief terms of reference of Audit Committee are as under:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to.
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134(3) (c) of the Companies Act, 2013.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by the management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions
 - g) Modified opinion(s) in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report

- submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the Auditor's independence and performance, and effectiveness of audit process.
 8. Approval or any subsequent modification of transactions of the Company with related parties.
 9. Scrutiny of inter-corporate loans and investments.
 10. Valuation of undertakings or assets of the Company, wherever it is necessary.
 11. Evaluation of internal financial controls and risk management systems.
 12. Reviewing, with the management, the performance of statutory and internal auditors, adequacy of the internal control systems.
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 14. Discussion with internal auditors of any significant findings and follow up there on.
 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 17. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 18. To review the functioning of the Whistle-Blower mechanism.
 19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.
 20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
 21. Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.
 22. Reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/investments.
- Review of Information by Audit Committee:**
1. The Management discussion and analysis of financial condition and results of operations;
 2. Statement of significant related party transactions submitted by management;
 3. Management letters/letters of internal control weaknesses issued by the statutory auditors.
 4. Internal audit reports relating to internal control weaknesses; and
 5. The appointment, removal and terms of remuneration of the Chief Internal Auditor.
 6. Statement of deviations :
 - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s).
 - b) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice.
- Meetings, Attendance & Composition of the Audit Committee**
- During the financial year 2019-20, four meetings of the Audit Committee were held on 28th May 2019, 8th August 2019, 7th November 2019 and 13th February 2020. The intervening gap between two meetings did not exceed one hundred and twenty days.

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The details of the Audit Committee meetings attended by its members as on 31st March 2020 are given below:

Sr. No.	Name	Designation(s)	Category	Number of meetings held during FY 2019-20	
				Held during the tenure	Attended
1	Mr. K. Jairaj	Chairman	Non-Executive & Independent	4	4
2	Mr. Rajesh S. Adani*	Member	Executive Promoter	1	1
3	Dr. Ravindra H. Dholakia	Member	Non-Executive & Independent	4	4
4	Mrs. Meera Shankar	Member	Non-Executive & Independent	4	4

*Note: The Audit Committee of the Board of Directors was reconstituted, whereunder Mr. Rajesh S. Adani, a promoter director stepped down as member w.e.f. 28th May 2019 to maintain a fully independent audit committee. This will enable a complete independent review of financial reporting process and internal control mechanism by Audit Committee of all Independent Directors, in more transparent way to further strengthen the confidence of all stakeholders especially the minority shareholders.

All members of the Audit Committee have accounting and financial management knowledge and expertise/exposure. The Audit Committee meetings are attended by the Internal Auditors, Statutory Auditors, Chief Financial Officer and head of finance. The Company Secretary acts as the Secretary of the Audit Committee.

Mr. Jaladhi Shukla, Company Secretary and Compliance Officer act as a Secretary of the Committee. Dr. Ravindra H. Dholakia was nominated as Chairman's representative of Audit Committee in the last Annual General Meeting (AGM) held on 8th August 2019 to answer the shareholders' queries.

B. Nomination and Remuneration Committee

The constitution and terms of reference of Nomination and Remuneration Committee of the Company are in compliance with provisions of Companies Act, 2013 and the SEBI Listing Regulations.

Terms of reference:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
2. Formulation of criteria for evaluation of Independent Directors and the Board of directors.
3. Devising a policy on Board diversity.

4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
5. To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria.
7. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
8. To recommend to the board, all remuneration, in whatever form, payable to senior management.
9. To perform such other functions as may be necessary or appropriate for the performance of its duties.

Meeting, Attendance & Composition of the Nomination & Remuneration Committee

During FY 2019-20, four meetings of the Nomination & Remuneration Committee were held on 28th May 2019, 8th August 2019, 7th November 2019 and 13th February 2020.

The details of the Nomination & Remuneration Committee meetings attended by its members as on 31st March 2020 are given below:

Sr. No	Name	Designation(s)	Category	Number of meetings held during FY 2019-20	
				Held during the tenure	Attended
1	Mr. K. Jairaj	Chairman	Non-Executive & Independent	4	4
2	Dr. Ravindra H. Dholakia	Member	Non-Executive & Independent	4	4
3	Mrs. Meera Shankar	Member	Non-Executive & Independent	4	4

The Quorum of the Committee is of two members.

The Board of Directors review the Minutes of the Nomination & Remuneration Committee Meetings at subsequent Board Meetings.

The Company Secretary acts as a Secretary to the Committee.

Remuneration Policy

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The Company endeavours to attract, retain, develop and motivate the high-caliber executives and to incentivise them to develop and implement the Group's Strategy, thereby enhancing the business value and maintain a high performance workforce. The policy ensures that the level and composition of remuneration of the Directors is optimum.

i) Remuneration to Non-Executive Directors

Non-Executive Directors are paid ₹ 50,000/- as sitting fees for attending meeting of Board of

The details of sitting fees paid to Non-Executive and Independent Directors for the Financial Year 2019-20 are as under:

Name of the Directors	Sitting Fees paid during FY 2019-20			Total	No. of Shares held as on 31 st March 2020
	Board Meeting		Committee Meeting		
Mr. K. Jairaj	2.00	4.50	6.50	-	
Dr. Ravindra H. Dholakia	2.00	3.00	5.00	-	
Mrs. Meera Shankar	2.00	3.00	5.00	-	

Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for independent directors is determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgement.

Directors & Audit Committee and ₹ 25,000/- for attending meeting of Corporate Social Responsibility & Sustainability Committee, Stakeholders' Relationship Committee, Nomination & Remuneration Committee and Risk Management Committee & actual reimbursement of expenses incurred for attending each meeting of the Board and Committee.

The Company has also taken a Directors' & Officers' Liability Insurance Policy.

The Executive and Promoter group Directors are not being paid sitting fees for attending meetings of the Board of Directors and its committees. Other than sitting fees paid to Non-Executive Directors, there were no pecuniary relationships or transactions by the Company with any of the Non-Executive and Independent Directors of the Company. The Company has not granted stock options to Non-Executive and Independent Directors.

ii) Remuneration to Executive Directors.

The remuneration of the Executive Directors is recommended by the Nomination and Remuneration Committee based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance/track record, macroeconomic review on remuneration packages of heads of other organisations and is decided by the Board of Directors.

Corporate Governance Report (Contd.)

The Company pays remuneration by way of salary, perquisites and allowances (fixed component), incentive remuneration and/or commission (variable components) to its Executive Directors within the limits prescribed under the Companies Act, 2013 and approved by the shareholders.

None of the Executive Directors of the Company are drawing any remuneration from the Company.

There is no separate provision for payment of severance fees under the resolutions governing the appointment of Chairman and Whole-time Director.

The Company has not granted stock options to the Executive Directors or Employees of the Company.

The aforesaid Executive Directors, so long as they function as such shall not be entitled to any sitting fees for attending any meetings of Board or Committees thereof.

Mr. Gautam S. Adani/Rajesh S. Adani (on behalf of S.B. Adani Family Trust) and Mr. Gautam S. Adani/Mrs. Priti G. Adani (on behalf of Gautam S. Adani Family Trust) hold 62,11,97,910 and 88,36,750 Equity Shares of the Company respectively. Mr. Gautam S. Adani and Rajesh S. Adani hold 1 (one) Equity Share each of the Company.

Except above, none of Directors of the Company holds equity shares of the Company in their individual capacity. The Company does not have any Employees' Stock Option Scheme and there is no separate provision for payment of Severance Fees.

The details of the Stakeholders' Relationship Committee meetings attended by its members as on 31st March 2020 are given below:

Sr. No	Name	Designation(s)	Category	Number of Meetings held during FY 2019-20	
				Held during the tenure	Attended
1.	Mr. K. Jairaj	Chairman	Independent, Non-Executive	4	4
2.	Mr. Rajesh S. Adani	Member	Executive Promoter	4	4
3.	Mr. Anil Sardana	Member	Executive Director	4	4

The Company Secretary is the Compliance Officer of the Company as per the requirements of the SEBI Listing Regulations.

The Minutes of the Shareholders' Relationship Committee are reviewed by the Board of Directors at the subsequent Board Meeting.

C. Stakeholders' Relationship Committee

The constitution and terms of reference of Stakeholders' Relationship Committee of the Company are in compliance with provisions of Companies Act, 2013 and the SEBI Listing Regulations.

Terms of Reference:

- To look into various aspects of interest of shareholders, debenture holders and other security holders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Reviewing the measures taken for effective exercise of voting rights by shareholders.
- Reviewing of adherence to the service standards adopted in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Reviewing the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/amendment or modification as may be applicable.

Composition, Meetings and Attendance of Stakeholders' Relationship Committee

During the financial year 2019-20, four meetings of the Stakeholders' Relationship Committee were held on 28th May 2019, 8th August 2019, 7th November 2019 and 13th February 2020.

Redressal of Investor Grievances

The Company and its Registrar and Share Transfer Agent addresses all complaints, suggestions and grievances expeditiously and replies are sent usually within 7-10 days except in case of dispute over facts or other legal impediments and procedural issues.

The Company endeavours to implement suggestions as and when received from the investors.

During the year under review, no complaints were received. There was no unattended or pending investor grievance as on 31st March 2020.

D. Corporate Social Responsibility & Sustainability (CSR&S) Committee

The Company has constituted CSR&S Committee as required under Section 135 of the Companies Act, 2013 and rules framed there under.

Terms of reference of the Committee, *inter alia*, includes the following:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by our Company as specified in Schedule VII of the Companies Act, 2013 and rules made thereunder.
2. To recommend the amount of expenditure to be incurred on CSR activities.
3. To monitor the implementation of framework of CSR Policy.
4. Approval and review of the Company's sustainability policy.
5. Overseeing management processes and standards designed to manage the Company's

Sustainability performance (together "Sustainable Development").

6. Reviewing the Company's annual Sustainability Report assurance process and signing off the Sustainability Report for public disclosure.
7. Sub-delegation of authority and recommending the positioning to manage relevant sustainability issues and sharing information.
8. Regularly updating its competency on the subject of Sustainable Development and reviewing its own performance and effectiveness including its terms of reference for overseeing the Company's Sustainability performance.
9. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

CSR Policy

The CSR Policy of the Company is available on its website (<https://www.adanitransmission.com/investors/corporate-governance>).

Composition, Meetings and Attendance of CSR&S Committee

During the year under review, two CSR&S Committee Meetings were held on 28th May 2019 and 13th February 2020.

The details of the CSR&S Committee meetings attended by its members during FY 2019-20 are given below:

Sr. No	Name	Designation(s)	Category	Number of Meetings held during FY 2019-20	
				Held during the tenure	Attended
1.	Mr. Rajesh S. Adani	Chairman	Executive Promoter	2	2
2.	Mr. K. Jairaj	Member	Independent, Non-Executive	2	2
3.	Mr. Anil Sardana	Member	Executive Director	2	2

The Quorum of the Committee is of two members.

The Board of Directors review the Minutes of the CSR&S Committee Meetings at subsequent Board Meetings.

The Company Secretary acts as a Secretary to the Committee.

Sustainability Governance

The Company believes that sustainable and long-term growth of every stakeholder depends upon the judicious and effective use of available resources and consistent endeavour to achieve excellence in business along with active participation in the growth

of society, building of environmental balances and significant contribution in economic growth.

Till 2017-18, we were preparing a separate Annual Report and Sustainability Report. This is the second year that we have combined both the reports into one, presenting financial and non-financial metrics in an integrated report, for a more holistic picture of our purpose, performance and prospects.

E. Risk Management Committee:

The Risk Management Committee of the Company is constituted in line with the provisions of Regulation 21 of the SEBI Listing Regulations.

Corporate Governance Report (Contd.)

The Committee is required to lay down the procedures to inform to the Board about the risk assessment and minimisation procedures and the Board shall be responsible for framing, implementing and monitoring the risk management plan of the Company.

Terms of reference of the Committee:

1. To review the Company's risk governance structure, risk assessment and minimisation procedures and the guidelines, strategies and policies for risk mitigation on short-term as well as long-term basis.
2. To monitor and review the risk management plan of the Company.

3. To review the current and expected risk exposures of the organisation, to ensure the same are identified, qualitatively and quantitatively evaluated, analysed and appropriately managed;
4. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/amendment or modification as may be applicable.
5. To review cyber security function of the Company.

Composition, Meetings and Attendance of Risk Management Committee

During the year under review, three Risk Management Committee Meetings were held on 28th May 2019, 7th November 2019 and 13th February 2020.

The details of the Risk Management Committee meeting attended by its members as are given below:

Sr. No	Name	Designation(s)	Category	Number of Meetings held during FY 2019-20	
				Held during the tenure	Attended
1.	Mr. Anil Sardana	Chairman	Executive Director	3	3
2.	Mr. Rajesh S. Adani	Member	Executive Promoter	3	3

The Company has a risk management framework to identify, monitor and minimise risks.

The Quorum of the Committee is of two members.

The Board of Directors review the Minutes of the Risk Management Committee Meetings at subsequent Board Meetings.

The Company Secretary acts as a Secretary to the Committee.

F. Securities Transfer Committee

In order to provide efficient and timely services to investors, the Board of Directors has delegated the power of approving transfer/transmission of Company's Securities, issue of duplicate share/debenture certificates, split up/sub-division, and consolidation of shares, issue of new certificates on rematerialisation, sub-division and other related formalities to the Securities Transfer Committee.

No requests for transfers of any Securities are pending as on 31st March 2020 except those that are disputed and/or sub-judiced.

Whistle-Blower Policy:

The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and directors to report concerns

about unethical behaviour. No person has been denied access to the chairman of the audit committee. The said policy is uploaded on the website of the <https://www.adanitransmission.com/investors/corporate-governance>. During the year under review, there were no cases of whistle blower.

Investor Services

M/s. Link Intime India Private Limited are acting as Registrar & Share Transfer Agent of the Company. They have adequate infrastructure and VSAT connectivity with both the depositories, which facilitate better and faster services to the investors.

- a) Name, Designation and Address of the Compliance Officer:

Mr. Jaladhi Shukla, Company Secretary and Compliance Officer

Adani Transmission Limited

"Adani House", Near Mithakhali Six Roads, Navarangpura, Ahmedabad - 380 009 Gujarat, India,

Tel: (079) 25555 555, 26565 555,

Fax: (079) 26565 500, 25555 500,

E-mail ID: jaladhi.shukla@adani.com

4. Annual General Meetings

Location, day, date and time of Annual General Meetings (AGMs) and Special Resolutions passed thereat:

Financial Year	Day & Date	Location of Meeting	Time	No. of Special resolutions passed
2016-17	Thursday, 10 th August 2017	J. B. Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015	10.30 a.m.	3
2017-18	Tuesday, 7 th August 2018	J. B. Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015	10.30 a.m.	4
2018-19	Thursday, 8 th August 2019	J. B. Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015	10.30 a.m.	5

Whether Special Resolutions were put through postal ballot last year, details of voting pattern:

There were no special resolutions passed through postal ballot process during FY 2019-20.

Whether any resolutions are proposed to be conducted through postal ballot:

No Resolution is proposed to be passed by way of Postal Ballot at the ensuing Annual General Meeting.

c) A statement, wherever applicable, of all significant transactions and arrangements entered into by the Company's subsidiaries is presented to the Board of the Company at its meetings.

The risk factors and project reports of the Subsidiary Companies are also reviewed by the Audit Committee of the Company.

The Company has a policy for determining 'material subsidiaries' which is uploaded on the website of the Company at <https://www.adanitransmission.com/investors/corporate-governance>.

5. Subsidiary Companies

None of the subsidiaries of the Company other than Adani Electricity Mumbai Limited, Adani Transmission (India) Limited and Maharashtra Eastern Grid Power Transmission Company Limited comes under the purview of the Material Non-Listed Indian Subsidiary as per criteria given in the SEBI Listing Regulations. The Company has nominated Mr. K. Jairaj, Independent Director of the Company as Director on the Board of Adani Electricity Mumbai Limited, Adani Transmission (India) Limited and Maharashtra Eastern Grid Power Transmission Company Limited being the material subsidiaries of the Company.

The Company is not required to nominate an Independent Director on the Board of any other Subsidiary Companies. The subsidiaries of the Company function with an adequately empowered Board of Directors and sufficient resources.

For more effective governance, the Company monitors performance of subsidiary companies, *inter alia*, by following means:

- Financial statements, in particular investments made by unlisted subsidiary companies, are reviewed quarterly by the Company's Audit Committee.
- Minutes of unlisted subsidiary companies are placed before the Board of the Company regularly.

6. Other Disclosures

a) Disclosure on materially significant related party transactions:

The details of materially significant related party transactions entered by the Company during the FY 2019-20 are as per notice calling Annual General Meeting of the Company. The details of Related Party Transactions are disclosed in the financial section of this Annual Report. The Company has developed a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions.

The Company has developed a Related Party Transaction Policy which is uploaded on the website of the Company at <https://www.adanitransmission.com/investors/corporate-governance>.

Note on the material related party transaction carried forward by the Company as per Annexure forming part of the AGM notice –

This amount was invested in ATL by Adani Infra (India) Limited to support acquisition of Adani Electricity Mumbai Limited's (AEML) Business which is in the Gateway city/Financial Capital of India and

Corporate Governance Report (Contd.)

is considered as a marquee asset for the Company's entry into retail electricity distribution business. To support this acquisition for sustainable growth with proper Debt:Equity mix, the Promoter group which is already holding 74.92% in the Company, had to be approached by management for urgent financial assistance in the manner that its recognised as an equity instrument for lenders to support with their corporate financing. Basis negotiations, the Promoters agreed to contribute significant sum of equity alike instrument, with reasonable equity returns on the amount and agreeing to deeply subordinate the sum provided, in the form of Perpetual Equity. Accordingly, the sum provided accrues 11.8% p.a. return on the same with mutually agreeable payment terms. The original sum contributed along with carrying costs can only be paid only against the equity sum to be mobilised by the Company. Thus the amount received is from related party but it's a facilitation sum that the Company needed for marquee acquisition and is rather a huge support lent by Promoter.

b) In the preparation of the financial statements, the Company has followed the accounting policies and practices as prescribed in the Accounting Standards.

c) Details of compliance

The Company has complied with all the requirements of the Stock Exchanges as well as the regulations and guidelines prescribed by the Securities and Exchange Board of India (SEBI). There were no penalties or strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

d) ADANI Code of Conduct

The ADANI Code of Conduct for the Directors and Senior Management of the Company has been laid down by the Board and the same is posted on the website of the Company.

A declaration signed by the Whole-time Director affirming the compliance with the ADANI Code of Conduct by the Board Members and Senior Management Personnel of the Company is as under:

Declaration as required under the SEBI Listing Regulations	
All Directors and senior management of the Company have affirmed compliance with the ADANI Code of Conduct for the financial year ended 31 st March 2020.	
Place: Ahmedabad Date: 9 th May 2020	Anil Sardana Managing Director and Chief Executive Officer

Adani Code of Conduct for Prevention of Insider Trading

ADANI Code of Conduct for Prevention of Insider Trading, as approved by the Board of Directors, *inter alia*, prohibits purchase/sale of securities of the Company by Directors and employees while in possession of unpublished price sensitive information in relation to the Company.

e) CEO/CFO Certificate

The CEO and CFO have certified to the board with regard to the financial statements and other matters as required by the SEBI Listing Regulations. The certificate is appended as an Annexure to this report.

They have also provided quarterly certificates on financial results while placing the same before the Board pursuant to Regulation 33 of the SEBI Listing Regulations.

f) Proceeds from public issues, rights issues, preferential issues etc.

The Company discloses to the Audit Committee, the uses/application of proceeds/funds raised from Rights Issue, Preferential Issue as part of the quarterly review of financial results.

g) The designated Senior Management Personnel of the Company have disclosed to the Board that no material, financial and commercial transactions have been made during the year under review in which they have personal interest, which may have a potential conflict with the interest of the Company at large.

h) The Company has also adopted Material Events Policy, Website Content Archival Policy and Policy on Preservation of Documents which is uploaded on the website of the Company at <https://www.adanitransmission.com/investors/corporate-governance>.

i) Details of the familiarisation programmes imparted to the independent directors are available on the website of the Company at <https://www.adanitransmission.com/investors/corporate-governance>.

j) With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading.

k) The Company has put in place succession plan for appointment to the Board and to senior management.

l) The Company complies with all applicable Secretarial Standards.

m) The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations. It has obtained a certificate affirming the compliances from Statutory Auditors and the same is attached to this Report.

n) As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Directors seeking appointment/re-appointment at the forthcoming AGM are given herein and in the Annexure to the Notice of the 7th AGM to be held on Thursday, 25th June 2020.

o) The Company has obtained certificate from CS Chirag Shah, Practising Company Secretary confirming that none of the Directors of the Company is debarred or disqualified by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such authority from being appointed or continuing as Director of the Company and the same is also attached to this Report.

p) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which the statutory auditor is a part, is given below:

M/s. Deloitte Haskins & Sells LLP

	(₹ in Crores)
Payment to Statutory Auditors	FY 2019-20
Audit Fees	1.84
Other Services (Bond related)	1.75
Other Matters	0.15
Total	3.74

(All amounts excluding GST)

q) As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, the Company has constituted Internal Complaints Committee which is responsible for redressal of complaints related to sexual harassment. During the year under review, there were no complaints pertaining to sexual harassment.

7. Means of Communication

a) Financial Results:

The quarterly/half-yearly and annual results of the Company are normally published in the Indian Express (English) and Financial Express (a regional daily published from Gujarat). These results are not sent individually to the shareholders but are put on the website of the Company.

The quarterly/half-yearly and annual results and other official news releases are displayed on the website of

Corporate Governance Report (Contd.)

the Company – www.adanitransmission.com shortly after its submission to the Stock Exchanges.

b) Intimation to Stock Exchanges:

The Company also regularly intimates to the Stock Exchanges all price sensitive and other information which are material and relevant to the investors.

c) Earnings Calls and Presentations to Analysts:

At the end of each quarter, the Company organises meetings/conference call with analysts and investors and the presentations made to analysts

Day and Date	Time	Mode
Thursday, 25 th June 2020	10.00 a.m.	Through Video Conferencing / Other Audio Visual Means

C. Registered Office:

"Adani House", Near Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009, Gujarat.

D. Financial Calendar for 2020-21: (tentative schedule, subject to change)

Period	Approval of Quarterly results
Quarter ending 30 th June 2020.	Mid August 2020
Quarter and half year ending 30 th September 2020.	Mid November 2020
Quarter ending 31 st December 2020.	Mid February 2021
The year ending 31 st March 2021.	End May 2021

E. Date of Book Closure:

Thursday, 18th June 2020 to Thursday, 25th June 2020 (both days inclusive) for the purpose of 7th Annual General Meeting.

F. Listing on Stock Exchanges:

(a) The Equity Shares of the Company are listed with the following stock exchanges.

BSE Limited (BSE) P. J. Towers, Dalal Street, Fort, Mumbai - 400 001	(Stock Code: 539254)
National Stock Exchange of India Limited (NSE) "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.	(Stock Code: ADANITRANS)

(b) Depositories:	1	National Securities Depository Limited (NSDL) Trade World, 4 th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013.
	2	Central Depository Services (India) Limited (CDSL) Phiroze Jeejeebhoy Towers, 28 th Floor, Dalal Street, Mumbai – 400 023.

The Equity Shares of the Company are traded compulsorily in Demat Segments. The ISIN allotted to the Company's Equity Shares under the depository system is **INE931S01010**.

and transcripts of earnings call are uploaded on the website thereafter.

8. General Shareholder Information

A. Company Registration Details:

The Company is registered in the State of Gujarat, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L40300GJ2013PLC077803.

B. Annual General Meeting:

Annual Listing fee has been paid to the BSE & NSE and Annual Custody/Issuer fee for the year 2020-21 will be paid by the Company to NSDL & CDSL on receipt of the invoices.

G. Dividend Distribution Policy:

As per Regulation 43A of the SEBI Listing Regulations, the top 500 listed companies shall formulate a dividend distribution policy. Accordingly, the policy was adopted to set out the parameters and circumstances that will be taken into account by the Board in determining the

distribution of dividend to its shareholders and/or retaining profits earned by the Company. The Dividend Distribution Policy of the Company is available on the website of the Company at <https://www.adanitransmission.com/investors/corporate-governance>.

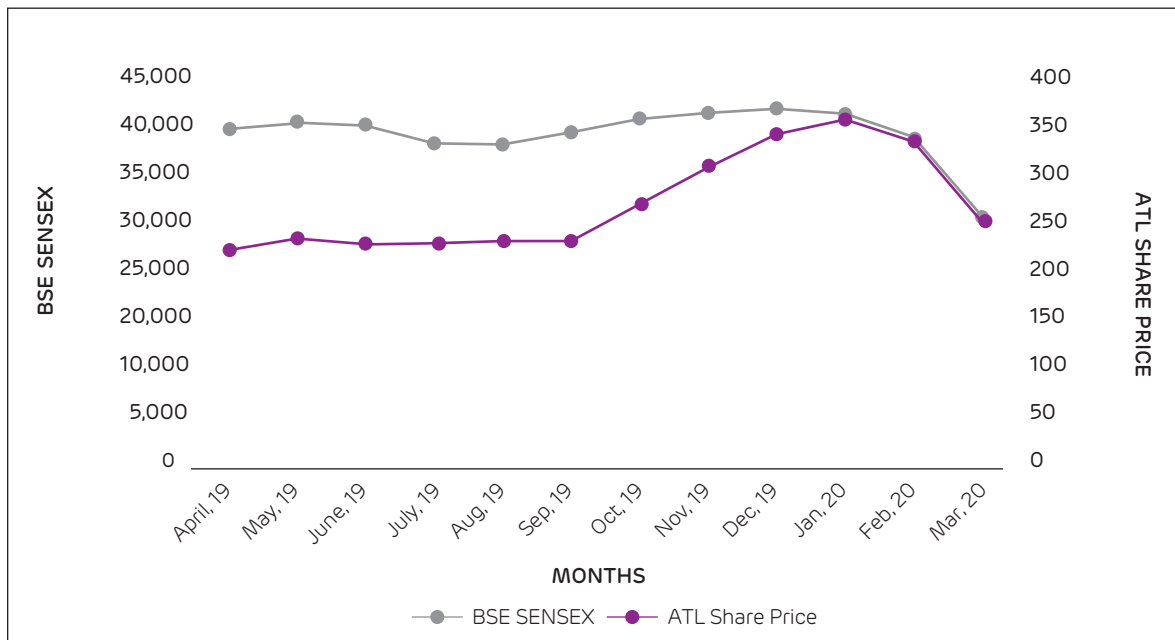
H. Market Price Data: High, Low during each month in Financial Year 2019-20.

Monthly share price movement during the year 2019-20 at BSE & NSE:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (No. of shares)	High (₹)	Low (₹)	Volume (No. of shares)
April 2019	229.00	214.95	263464	230.10	216.80	2206145
May 2019	240.15	205.10	746444	241.55	205.40	4743643
June 2019	235.30	211.30	445399	235.70	211.25	2034110
July 2019	235.75	203.40	480741	236.20	203.95	2231087
August 2019	237.85	203.50	337809	236.30	203.50	1584377
September 2019	237.95	221.15	567680	238.30	221.00	2706787
October 2019	273.70	221.20	867212	274.10	222.15	6086382
November 2019	309.70	263.35	1068936	310.15	263.35	9565309
December 2019	342.05	314.25	1332790	341.90	314.30	12673261
January 2020	357.05	320.75	746818	356.65	320.80	5280973
February 2020	339.20	253.05	467511	338.75	251.90	4808904
March 2020	257.35	163.85	435765	256.40	163.85	8533807

[Source: This information is compiled from the data available from the websites of BSE and NSE]

I. Performance in comparison to broad-based indices such as BSE SENSEX.



Corporate Governance Report (Contd.)

J. Registrar and Transfer Agents:

M/s. Link Intime India Private Limited are appointed as Registrar and Transfer (R&T) Agents of the Company for both Physical and Demat Shares. The address is given below:

M/s. Link Intime India Private Limited

5th Floor, 506-508, Amarnath Business Centre – 1 (ABC-1), Beside Gala Business Centre, Off C. G. Road, Navrangpura, Ahmedabad – 380 009.
Tel: +91-79-26465179
Fax: +91-79-26465179

Contact Person: Mr. Chandrasekher R.

Shareholders are requested to correspond directly with the R & T Agent for transfer/transmission of shares, change of address, queries pertaining to their shares, etc.

K. Share Transfer System:

The Company's shares are compulsorily traded in the demat segment on stock exchanges, bulk of the transfers take place in the electronic form. The share transfers received in physical form are processed through R & T Agent, within seven days from the date of receipt, subject to the documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission, issue of duplicate share certificate, dematerialisation etc. to the Securities Transfer Committee. All the physical transfers received are processed by the R & T Agent and are approved by the Securities Transfer Committee well within the statutory period of one month. The securities transfer committee meets every fortnight for approval of the transfer, transmission, issue of duplicate share certificate, dematerialisation/rematerialization of shares etc.

and all valid share transfers received during the year ended 31st March 2020 have been acted upon. The share certificates duly endorsed are returned immediately to the shareholders by the R & T Agent.

The Company obtained following certificate(s) from a Practising Company Secretary and submitted the same to the stock exchanges within stipulated time

1. Certificate confirming due compliance of share transfer formalities by the Company pursuant to Regulation 40(9) of the SEBI Listing Regulations for half year ended 30th September 2019 and 31st March 2020 respectively with the Stock Exchanges and
2. Certificate regarding reconciliation of the share capital audit of the Company on quarterly basis.

All share transfer and other communication regarding share certificates, change of address, dividend etc. should be addressed to R & T Agents of the Company at the address given above.

L. Dematerialization of Shares and Liquidity:

The Equity Shares of the Company are tradable in compulsory dematerialised segment of the Stock Exchanges and are available in depository system of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The demat security (ISIN) code for the Equity Share is INE931S01010.

As on 31st March 2020, 109,95,21,210 (constituting 99.97%) were in dematerialised form.

The Company's Equity Shares are frequently traded on the BSE Limited and National Stock Exchange of India Limited.

M. The Distribution of Shareholding as on 31st March 2020 is as follows:

Number of shares Category	Number of shareholders		Equity Shares held in each category	
	Holders	% of Total	Total Shares	% of Total
1 to 500	38766	91.34	3252090	0.30
501 to 1000	1658	3.91	1342464	0.12
1001 to 2000	830	1.96	1277187	0.12
2001 to 3000	271	0.64	687362	0.06
3001 to 4000	218	0.51	796991	0.07
4001 to 5000	119	0.28	552788	0.05
5001 to 10000	263	0.62	1943754	0.18
10001 & Above	316	0.74	1089957447	99.10
TOTAL	42441	100.00	1099810083	100.00

N. Shareholding Pattern as on 31st March 2020 is as follows:

Category	No. of Shares held	(%) of total
Promoters and Promoter Group	82,39,63,481	74.92
Foreign Portfolio Investors	22,75,35,552	20.69
Mutual Funds, Financial Institutions/Banks	14,68,308	0.13
N.R.I. and Foreign National	4,06,909	0.04
Private Bodies Corporate	23,75,199	0.22
Indian Public and others	4,34,74,131	3.95
Clearing Members (Shares in Transit)	5,86,503	0.05
Total	109,98,10,083	100.00

Note: Currently, the promoter group of the Company is holding 74.92% equity stake of the Company which is within the statutory limits. Further, the composition of the board of directors of the Company comprises judicial mix of 2 (Two) Promoter Directors, 3 (Three) independent directors and 1 (One) professional Managing Director and CEO, thereby ensuring the requirement of having 50% Board being Independent. The ownership and board governance structure(s) of the Company are independent to each other and the functioning of the Board as a collective body is primarily driven by theory of fiduciary duties of director thereby ensuring effectively protecting the interests of minority shareholders and long-term value creation for its stakeholders.

O. Listing of Debt Securities.

During the year under review, your Company has during the year redeemed/bought back 21,716 Rated, Listed, Taxable, Secured, Redeemable, Non-Convertible Debentures of the face value of ₹ 10 Lakhs each issued on private placement basis.

As on 31st March 2020, 3,750 Rated, Listed, Taxable, Secured, Redeemable, Non-Convertible Debentures of face value of ₹10 lakhs each aggregating to ₹375 Crores were outstanding issued on private placement basis listed on the Wholesale Debt Market Segment of BSE Limited.

P. Debenture Trustees (for privately placed debentures):**IDBI Trusteeship Services Limited**

Asian Building, Ground Floor, 17, R. Kamani Marg,
Ballard Estate, Mumbai - 400 001
Tel: +91 22 4080 7000
Fax: +91 22 6631 1776
E-mail ID: itsl@idbitrustee.com
Website: www.idbitrustee.com

Q. Outstanding GDRs/ ADRs/ Warrants or any convertible instruments conversion date and likely impact on equity.

There were no outstanding GDRs/ ADRs/ Warrants or any convertible instruments as at 31st March 2020.

R. Commodity Price Risk/Foreign Exchange Risk and Hedging:

In the ordinary course of business, the Company is exposed to risks resulting from exchange rate fluctuation and interest rate movements. It manages its exposure to these risks through derivative financial instruments. The Company's risk management activities are subject to the management, direction and control of Treasury Team of the Company under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board of Directors of the Company. The Company's Treasury Team ensures appropriate financial risk governance framework for the Company through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The decision of whether and when to execute derivative financial instruments along with its tenure can vary from period to period depending on market conditions and the relative costs of the instruments. The tenure is linked to the timing of the underlying exposure, with the connection between the two being regularly monitored.

S. Plant Locations:

Not Applicable

Corporate Governance Report (Contd.)

T. Address for correspondence:

The shareholders may address their communications/ suggestions/ grievances/ queries to:

1. Mr. Jaladhi Shukla

Company Secretary and Compliance Officer
Adani Transmission Limited
"Adani House", Near Mithakhali Six Roads,
Navarangpura,
Ahmedabad – 380 009
Tel: (079) 25555 555, 26565 555.
Fax: (079) 26565 500, 25555 500.
E-mail: jaladhi.shukla@adani.com

2. M/s. Link Intime India Private Limited

5th Floor, 506-508, Amarnath Business Centre – 1 (ABC-1),
Beside Gala Business Centre, Off C. G. Road,
Navrangpura, Ahmedabad – 380 009.
Tel: +91-79-26465179
Fax: +91-79-26465179
E-mail: ahmedabad@linkintime.co.in
Contact Person: Mr. Chandrasekher R.

U. Credit Rating:

Domestic Ratings

Rating Agency	Facility	Rating/Outlook
ICRA	Commercial Paper Issuance	A1+
India Ratings and Research		IND A1+
India Ratings and Research	Non-Convertible Debenture	IND AA+/stable
CARE	Issuance	CARE AA+;Stable

International Ratings

Rating Agency	Facility	Rating/Outlook
Fitch	Dollar Bond	BBB-/Stable
S&P		BBB-/Stable
Moody's		Baa3/Negative

Non-Mandatory Requirements

The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

1. The Board:

The Company has an Executive Chairman and hence, the need for implementing this non-mandatory requirement does not arise.

2. Shareholders Right:

The quarterly, half-yearly and annual financial results of the Company are published in newspapers and posted on Company's website, www.adanitransmission.com. The same are also available on the websites of stock exchanges where the shares of the Company are listed i.e. www.bseindia.com and www.nseindia.com.

3. Modified opinion(s) in audit report:

The Company already has a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements.

4. Separate posts of Chairperson and CEO:

Mr. Gautam S. Adani is the Chairman and Mr. Anil Sardana is a Managing Director and Chief Executive Officer of the Company.

5. Reporting of Internal Auditor

The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meeting and regularly attends the Meeting for reporting their findings of the internal audit to the Audit Committee Members.

Compliance Certificate on Corporate Governance

To,
The Members of
Adani Transmission Limited

We have examined the compliance of conditions of Corporate Governance by Adani Transmission Limited ("the Company") for the year ended on 31st March 2020 as stipulated in the applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, pursuant to the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementations thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the Efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad
Date: 9th May 2020

CS Chirag Shah
Partner
Chirag Shah and Associates
FCS No. 5545
C. P. No. 3498
UDIN: F005545B000211498

Certification by CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)

We have reviewed the financial statements and the cash flow statements for the year ended 31st March 2020 and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March 2020 which are fraudulent, illegal or violation of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal control system and that we have evaluated the effectiveness of the internal control system of the Company and we have disclosed to the auditors and the Audit Committee, efficiencies in the design or operation of internal control system, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We further certify that we have indicated to the auditors and the Audit Committee:
 - a) There have been no significant changes in internal control system during the year;
 - b) There are changes in accounting policies during the year on account of Ind AS adoption and the same have been disclosed in the notes to the financial statements; and
 - c) There have been no instances of significant fraud of which we have become aware, involving management or an employee having a significant role in the Company's internal control system.

Place: Ahmedabad
Date: 9th May 2020

Anil Sardana
Managing Director and CEO

Kaushal G. Shah
Chief Financial Officer

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Adani Transmission Limited
Adani House,
Mithakhali Six Roads,
Navrangpura,
Ahmedabad – 380 009

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Adani Transmission Limited having CIN L40300GJ2013PLC077803 and having registered office Adani House, Mithakhali Six Roads, Navrangpura, Ahmedabad – 380 009. (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Gautam Shantilal Adani	00006273	17/06/2015
2.	Mr. Rajesh Shantilal Adani	00006322	17/06/2015
3.	Mr. Anil Kumar Sardana	00006867	07/08/2018
4.	Mr. Ravindra Harshadrai Dholakia	00069396	26/05/2016
5.	Mr. Kalaikuruchi Jairaj	01875126	17/06/2015
6.	Mrs. Meera Shankar	06374957	17/06/2015

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, Chirag Shah and Associates

Chirag Shah

Membership No. 5545

CP No. 3498

UDIN: F005545B000211487

Date: 9th May 2020

Place : Ahmedabad

Business Responsibility Report

Section A: General Information about the Company

- 1. Corporate Identity Number (CIN):** L40300GJ2013PLC077803
- 2. Name of the Company:** Adani Transmission Limited
- 3. Registered Address:** 'Adani House', Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad - 380 009, Gujarat, India
- 4. Website:** www.adanitransmission.com
- 5. E-mail ID:** jaladhi.shukla@adani.com
- 6. Financial Year reported:** 01.04.2019 to 31.03.2020
- 7. Sector(s) that the Company is engaged in (industrial activity code-wise):**

Group	Class	Sub-class	Description
351	3510	35107	Transmission of electric energy
463	4630	46309	Wholesale of other basic/manufactured food stuffs

As per National Industrial Classification – Ministry of Statistics and Programme Implementations

- 8. List three key products that the Company manufactures/provides (as in balance sheet):**
The Company does not manufacture any product, but is involved in the business activities listed in the table above.
- 9. Total number of locations where business activity is undertaken by the Company:**
The total number of locations of the Company is as follows:
 - Number of international locations: N.A.
 - Number of national locations: The Company is having Pan India Presence across 9 (Nine) States namely- Gujarat, Haryana, Chhattisgarh, Jharkhand, Rajasthan, Maharashtra, Madhya Pradesh, Uttar Pradesh and Bihar.
- 10. Markets served by the Company:** State, National

Section B: Financial Details of the Company

- 1. Paid up capital (INR):** 1099.81 Crores
- 2. Total turnover (INR):** 11,681.29 Crores (consolidated total revenue)
- 3. Total Profit /(Loss) After Taxes (INR):** 706.49 Crores (Consolidated)
- 4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax:**
The Company carries its CSR activities through its dedicated CSR wing viz. Adani Foundation. During FY 2019-20, the Company has spent ₹ 0.23 Crore on standalone basis and ₹ 18.14 Crores on consolidated basis towards CSR activities.
- 5. List of activities in which expenditure in 4 above has been incurred:**
The major CSR activities are in the Sectors of Education, Community Health, Sustainable Livelihood Development and Community Infrastructure Development.

Section C: Other Details

- 1. Does the Company have any Subsidiary Company / Companies?**
Yes, the Company has 28 subsidiary companies as on 31st March 2020.
- 2. Do the subsidiary Company / companies participate in the BR initiatives of the parent Company?**
Business Responsibility initiatives of the parent Company are applicable to the subsidiary companies to the extent that they are material in relation to the business activities of the subsidiaries.
- 3. Do any other entity / entities that the Company does business with participate in the BR initiatives of the Company?**
No other entity / entities participates in the BR initiatives of the Company.

Section D: BR Information

1. Details of Director / Directors responsible for BR:

Details of the Director / Directors responsible for implementation of the BR policy/policies:

- **DIN:** 00006867
- **Name:** Mr. Anil Sardana
- **Designation:** Managing Director and CEO

a) Details of the BR head:

Sr. No	Particulars	Details
1	DIN (if applicable)	00006867
2	Name	Mr. Anil Sardana
3	Designation	Managing Director and CEO
4	Telephone Number	(079) 2555 7475
5	E mail ID	anil.sardana@adani.com

2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y/N):

Sr. No.	Questions	Business Ethics	Product Life Responsibility	Employee Well-being	Stakeholder Engagement	Human Rights	Environment	Policy Advocacy	Inclusive Growth	Customer Value
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for...	Y	Y*	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify? (The policies are based on the NVG-guidelines in addition to conformance to the spirit of international standards like ISO 9000, ISO 14000, OHSAS 18000)	All the policies are compliant with respective principles of NVG Guidelines.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	https://www.adanitransmission.com/investors/corporate-governance								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to key internal stakeholders. The communication is an ongoing process to cover all internal & external shareholders.								
8	Does the Company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

* While the Company does not manufacture any products, the policy addresses the aspects of environmental protection in the Company's transactions as activities.

Business Responsibility Report (Contd.)

2a. If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options).

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principle									
2	The Company is not at stage where it finds itself in a position to formulate and implement the policies on specified principle									
3	The Company does not have financial or manpower resources available for the task									NOT APPLICABLE
4	It is planned to be done within next six month									
5	It is planned to be done within next one year									
6	Any other reason (please specify)									

3. Governance related to BR:

(i) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:**

The Managing Director & CEO periodically assesses the BR performance of the Company.

(ii) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

This report comprises the Company's Business Responsibility Report as per the National Voluntary Guidelines on Social, Environmental and Economic Responsibility of Business (NVEG), which is published as a part of Annual Report. Till 2017-18, we were preparing a separate Annual Report and Sustainability Report. This is the second year that we have combined both the reports into one, presenting financial and non-financial metrics in an integrated report, for a more holistic picture of our purpose, performance and prospects.

Section E: Principle-wise Performance

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?**

The Company has adopted a Code of Conduct for its Directors and Senior Management personnel. Additionally, the Policy on Code of Conduct for Employees applies to all employees across Adani Group of companies. These do not extend to any other entities.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

No stakeholder complaints pertaining to the above Codes were received in the past financial year.

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

Not applicable since the Company does not manufacture any products.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

I. Reduction during sourcing/ production/ distribution achieved since the previous year through the value chain:

Not applicable since the Company does not manufacture any products.

II. Reduction during usage by consumers (energy, water) achieved since the previous year?

Not applicable.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)?**

No specific procedures have been adopted for sustainable sourcing.

4. **Has the Company undertaken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?**

Not applicable

5. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? (Separately as < 5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

Not applicable

Principle 3: Business should promote the well-being of all employees

1. **Please indicate total number of employees:**
The Company together with its various subsidiaries has a total of about 5,417 permanent employees as of 31st March 2020.
2. **Please indicate total number of employees hired on temporary/ contractual/ casual basis:**
The Company together with its various subsidiaries has a total of about 6,888 contractual / probationary employees as of 31st March 2020.
3. **Please indicate the number of permanent women employees:**
The Company together with its various subsidiaries has a total of about 360 permanent woman employees as of 31st March 2020.
4. **Please indicate the number of permanent employees with disabilities.**
The Company together with its various subsidiaries has a total of about 11 permanent employees with disabilities as of 31st March 2020.
5. **Do you have an employee association that is recognised by the Management?**
The Company does not have an employee association.
6. **What Percentage of permanent employees who are members of this recognised employee association?**
Not applicable.
7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and those pending as on the end of the financial year.**
There were no complaints of this nature during the financial year.
8. **What Percentage of under mentioned employees were given safety and skill up-gradation training in the last year?**
Employee Learning & Development is crucial for organisational success and this is an integral part of whole organisation wide Human Resources Strategy.

The organisation has clearly defined Training & Development Policy – which cut across the

organisational Vision & Mission and Values. The entire employees irrespective of their grade and status have been provided with opportunity to hone their skills & competencies.

The Company gives utmost importance to Safety; we are committed to providing a healthy and safe work environment to employees, contractors, all visitors etc. and also ensures that none of our activity creates danger to nearby community also. Our Company is certified with OHSAS 18001:2007 and in process to upgrade with ISO 45001:2018.

With a goal of “No Fatality, No Injuries and No Excuses”, we demonstrate felt leadership on safety across all level of organization.

We strongly believe that Safety is a culture and should be embedded in the DNA of each and every individual.

We firmly believe that achieving ‘Zero Harm’ is possible, if we all strive for it. It is also important to emphasise that Working Safely is a condition of employment at the Company; a condition of engagement for all contractors and subcontractors and is not optional. Recording, reporting, investigating and learning from incidents are fundamentals and we do not accept any deviation on it.

During the year under review, the Company has undertaken following activities:

Safety Initiatives:

- **Training:** Over 16,300 man-hours of safety awareness and training
- **Gensuite:** Dedicated app for safety incident reporting
- **HT / LT Arc Flash suits** - to protect against flashover hazards
- **Cable Avoidance Tool** - to detect the depth of live underground cable
- Zero fatalities reported in FY20

Safety Awareness:

Electrical Safety Week in association with Industrial Labour & Energy department, Maharashtra.

Mahacharcha (National Debate) sponsored by AEML broadcasted on National Television

Electrical safety Video prepared by AEML shown across the Maharashtra

With all our efforts we were able to achieve Zero Fatality during FY 2019-20.

Business Responsibility Report (Contd.)

Principle 4: Business should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

1. Has the Company mapped its internal and external stakeholders?

Yes, the Company's key stakeholders include employees, suppliers, customers, business partners, regulatory agencies and local communities around its sites of operations.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?

Yes, the Company has identified the disadvantaged, vulnerable and the marginalised sections within the local communities around its sites of operations.

3. Special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders:

The Company firmly believes in the notion of sustainable community development. Assuming the role of a responsible corporate, it strives to create an environment of co-existence where there is an equitable sharing of resources followed by sustained growth and development of the community around. Hence, the subsidiaries of the Company, Maharashtra Eastern Grid Power Transmission Company Limited (MEGPTCL), Maru Transmission Services Company Limited and Adani Transmission (India) Limited, through the Adani Foundation, have undertaken several initiatives to engage with and ensure sustainable development of the marginalised groups in the local communities.

Adani Foundation is the CSR arm of the Adani Group. Since its inception in 1996, the Foundation has been working in four core areas of Education, Community Health, Sustainable Livelihood Development and Community Infrastructure Development.

The Adani Foundation stands for the values of courage, trust and commitment. What began in a few rural communities around Mundra port, Gujarat, has now expanded to 18 states in India, going far beyond the regions where Adani Group companies are functioning.

Adopting an approach that embodies innovation, people participation and collaboration with key stakeholders, the Adani Foundation is achieving inclusive growth and bringing about sustainable

development, thereby contributing towards nation building.

For more details on CSR activities of the Company, please refer Corporate Social Responsibility Report forming part of this Annual Report.

Principle 5: Business should respect and promote human rights

1. Does the Company's policy on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

The Company has put in place a Human Rights Policy applicable to all Adani Group of Companies. The Company's commitment to follow the basic principles of human rights is embedded in "Code of Conduct" adopted by the Company. The Company strictly adheres to all applicable labour laws and other statutory requirements in order to uphold the human rights within its organisational boundary.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?

No stakeholder complaints were received during the last financial year.

Principle 6: Business should respect, protect and make effort to restore the environment

1. Does the policy pertaining to this Principle cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

Environment policy of the Company does not extend to any other entities.

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y / N. If yes, please give hyperlink for webpage etc.

Yes, the Company is committed to addressing the global environmental issues such as climate change and global warming through energy conservation, efficient natural resource utilization and adoption of cleaner energy sources such as solar power.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes, the Company regularly identifies and assesses environmental risk during all stages of its existing and planned projects.

4. Does the Company have any project related to Clean Development Mechanism (CDM)? If so provide details thereof, in about 50 words or so. Also, If Yes, whether any environmental compliance report is filed?

Not Applicable

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc?

Not Applicable

6. Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Yes, the emissions / waste generated are within the permissible limits given by CPCB / SPCB.

7. Number of show cause / legal notices received from CPCB/ SPCB which are pending

There are no show cause / legal notices received from CPCB / SPCB which are pending as of end of financial year.

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chambers of association? If Yes, name only those major ones that your business deals with.

Yes, the Company is a member of the following key association:

1. Electric Power Transmission Association (EPTA)

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/No; If yes specify the broad areas (Governance and Administration, Economic Reform, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others):

Yes, through membership in the above industry body, the Company has advocated on the key issues impacting energy security, including but not limited to transmission evacuation, logistics and grant of clearances, environment and the community we work in.

Principle 8: Business should support inclusive growth and equitable development

1. Does the Company have specified programme/ initiatives/ projects in pursuit of the policy related to principle 8? If yes details thereof.

The Company firmly believes in the notion of sustainable community development. Assuming the role of a responsible corporate, it strives to create an environment of co-existence where there is an equitable sharing of resources followed by sustained growth and development of the community around. Hence, the subsidiaries of the Company, Maharashtra Eastern Grid Power Transmission Company Limited (MEGPTCL), Maru Transmission Services Company Limited and Adani Transmission (India) Limited, through the Adani Foundation, have undertaken several initiatives to engage with and ensure sustainable development of the marginalised groups in the local communities.

Adani Foundation is the CSR arm of the Adani Group. Since its inception in 1996, the Foundation has been working in four core areas of Education, Community Health, Sustainable Livelihood Development and Community Infrastructure Development.

The Adani Foundation stands for the values of courage, trust and commitment. What began in a few rural communities around Mundra port, Gujarat, has now expanded to 18 states in India, going far beyond the regions where Adani Group companies are functioning.

Adopting an approach that embodies innovation, people participation and collaboration with key stakeholders, the Adani Foundation is achieving inclusive growth and bringing about sustainable development, thereby contributing towards nation building.

2. Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ Govt. structure/ any other organisation?

Adani Foundation is the well-structured Corporate Social Responsibility (CSR) arm of Adani Group. The foundation has an in-house dedicated experienced team of professionals that comprises of experts in domains of education, healthcare, infrastructure

development, livelihood and other related fields to carry out the development work for the communities. The programmes are carried out by the Adani Foundation across regions. But Adani Foundation has entered few resource & knowledge partnerships with several government agencies, non-governmental organisations and other corporations.

3. Have you done any impact assessment of your initiative?

Yes, regular impact assessment studies are carried out by the foundation team to evaluate its various on-going programmes and to analyze the quantum of transformation the programmes are able to make on the lives of the communities. Also regular monthly, quarterly and yearly reviews of the programmes are also carried out by the different levels of management.

4. What is the Company's direct monetary contribution to community development projects and details of projects undertaken?

There was no direct monetary contribution of the Company to community development projects in FY 2019-20. The focus areas of the Company's community development projects are outlined in response to Question 5 under Section B.

5. Have you taken steps to ensure that community development initiative is successfully adopted by the community? Please explain in 50 words.

Community participation is encouraged at all stages of our community development / CSR initiatives, including programme planning, monitoring, implementation and assessment / evaluation.

Our community engagement is strengthened through conducting third-party need assessment surveys, participatory rural appraisals as well as formation of Village Development Committees (VDCs) and Cluster Development Advisory Committee (CDAC),

and Advisory Council with representation from the community, the government and the Company. This high level of engagement and participation of community members lead to a greater sense of ownership among the people, ensuring successful adoption and sustained outcomes.

Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner.

1. What Percentage of customer complaints / consumer cases are pending as on the end of financial year 2019-20?

There are no customer complaints / consumer cases pending as on end of financial year 2019-20.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/ N.A./ Remarks (additional information)

Not applicable.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as of end of FY 2019-20?

There are no such pending cases against the Company in a court of law.

4. Did your Company carry out any consumer survey /consumer satisfaction trends?

The Company has not carried out a formal consumer survey, however there is a continuous improvement process through which periodic feedback is taken on a regular basis from customers/stakeholders and immediate action is taken on any issues that they are facing.

Financial Statements

[174] Standalone Financial Statements

[234] Consolidated Financial Statements

[321] Notice

Independent Auditor's Report

To The Members of Adani Transmission Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **ADANI TRANSMISSION LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on

Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>Hedge accounting and the related disclosures for currency derivatives: (Refer to Note 46 to the Standalone Financial Statements)</p> <p>We identified the hedge accounting for currency derivatives and the adequacy of the related disclosures as a key audit matter because the evaluation of hedge effectiveness involved management's judgement and estimation.</p> <p>Besides, the changes in fair values of these currency derivatives also had a significant impact on the standalone financial statements.</p> <p>As disclosed in note 46 to the standalone financial statements, the Company was exposed to currency risk primarily arising from Foreign currency denominated borrowings. As further disclosed in note 46 to the standalone financial statements, the Company utilised currency derivatives to hedge these Borrowings during the year ended March 31, 2020.</p>	<p>Principal audit procedures performed: Obtaining an understanding of and assessing the design and implementation of the management's controls over the valuation of currency derivatives and hedge accounting.</p> <p>Inspecting the hedge documentations and contracts and evaluating the management's assessment of hedge effectiveness, on a sample basis, to evaluate the accounting for these currency derivatives in accordance with the requirements of Ind AS 109-Financial Instruments.</p> <p>Obtaining confirmations directly from contract counterparties to verify the existence of each currency derivative held at March 31, 2020.</p> <p>Reperforming mark-to-market valuations on a sample basis with the involvement of our financial instruments valuation specialists, to evaluate whether the fair values of the currency derivatives had been reasonably calculated by the management; and</p> <p>Assessing the adequacy of the disclosures in respect of the currency derivatives and hedge accounting in accordance with the disclosure requirements of Ind AS 107-Financial Instruments: Disclosures, Ind AS 113- Fair Value Measurement.</p>

Sr. No.	Key Audit Matter	Auditor's Response
	These currency derivatives which were designated and effective as net Cash flow hedges, gave rise to assets of Rs. 431.77 crores as at March 31, 2020 and the fair value changes of these currency derivatives have been deferred in equity at March 31, 2020.	

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's reports thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness

of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures

that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial

statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us,

- there is no remuneration paid by the Company to its directors during the year.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Mohammed Bengali
Partner
(Membership No. 105828)
(UDIN: 20105828AAAABB2802)

Place: Mumbai
Date: May 09, 2020

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Adani Transmission Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was

established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility

of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by

the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Mohammed Bengali
Partner
(Membership No. 105828)
(UDIN: 20105828AAAABB2802)

Place: Mumbai
Date: May 09, 2020

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner, over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax, Customs Duty and Goods and Services Tax as on March 31, 2020 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and dues to debenture holders. The Company has not taken any loans from financial institutions and government.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of non-convertible debentures and term loans for the purposes for which they were raised.

According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid / provided any managerial remuneration to its directors, including managing director and whole-time director, and its manager.

- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable and the details have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding or subsidiaries or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Mohammed Bengali
Partner
(Membership No. 105828)
(UDIN: 20105828AAAABB2802)

Place: Mumbai
Date: May 09, 2020

Balance Sheet

as at 31st March 2020

(₹ in Crores)

Particulars	Notes	As at 31 st March 2020	As at 31 st March 2019
ASSETS			
Non-current Assets			
Property, Plant and Equipment	5	0.92	1.15
Right of Use Assets	5a	0.32	-
Financial Assets			
(i) Investments	6	5,984.47	6,867.50
(ii) Loans	7	4,148.43	4,380.22
(iii) Other Financial Assets	8	237.80	0.03
Income Tax Assets (Net)	9	23.52	22.44
Other Non-current Assets	10	1.98	1.56
		Total Non-current Assets	10,397.44
			11,272.90
Current Assets			
Inventories	11	-	1.70
Financial Assets			
(i) Investments	12	-	90.10
(ii) Trade Receivables	13	96.68	9.72
(iii) Cash and Cash Equivalents	14	800.78	31.22
(iv) Bank Balances other than (iii) above	15	375.23	157.06
(v) Loans	16	810.41	945.88
(vi) Other Financial Assets	17	448.71	298.05
Other Current Assets	18	4.87	4.29
		Total Current Assets	2,536.68
		Total Assets	12,934.12
			12,810.92
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	19	1,099.81	1,099.81
Unsecured Perpetual Equity Instrument	20	3,279.42	3,408.03
Other Equity	21	431.21	650.52
		Total Equity	4,810.44
			5,158.36
Liabilities			
Non-current Liabilities			
Financial Liabilities			
(i) Borrowings	22	7,351.03	5,176.33
(ii) Other Financial Liabilities	23	0.16	137.44
Provisions	24	0.21	0.17
		Total Non-current Liabilities	7,351.40
			5,313.94
Current Liabilities			
Financial Liabilities			
(i) Borrowings	25	-	848.74
(ii) Trade Payables	26		
i. Total outstanding dues of micro enterprises and small enterprises		0.11	-
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises		124.11	29.35
(iii) Other Financial Liabilities	27	642.75	1,455.41
Other Current Liabilities	28	5.27	4.99
Provisions	24	0.04	0.13
		Total Current Liabilities	772.28
		Total Liabilities	8,123.68
		Total Equity and Liabilities	12,934.12
			12,810.92

See accompanying notes forming part of the financial statements

As per our attached report of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm Registration Number: 117366W/W-100018

MOHAMMED BENGALI

Partner

Membership No. 105828

For and on behalf of the Board of Directors

ADANI TRANSMISSION LIMITED**GAUTAM S. ADANI**

Chairman

DIN: 00006273

ANIL SARDANA

Managing Director and

Chief Executive Officer

DIN: 00006867

KAUSHAL SHAH

Chief Financial Officer

JALADHI SHUKLA

Company Secretary

Place: Mumbai

Date: 9th May 2020

Place: Ahmedabad

Date: 9th May 2020

Statement of Profit and Loss

for the year ended 31st March 2020

(₹ in Crores)

Particulars	Notes	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Income			
Revenue from Operations	29	857.79	832.83
Other Income	30	795.83	798.58
Total Income		1,653.62	1,631.41
Expenses			
Purchases of Stock-in-trade	31	857.21	828.25
Employee Benefits Expense	32	3.27	4.45
Finance Costs	33	767.19	733.45
Depreciation and Amortisation Expense	5 & 5a	0.30	0.12
Other Expenses	34	20.11	11.14
Total Expenses		1,648.08	1,577.41
Profit before tax		5.54	54.00
Tax Expense:			
Current Tax	35	-	11.60
Total Tax Expense		-	11.60
Profit after tax		5.54	42.40
Other Comprehensive Income			
(a) Items that will not be reclassified to Profit or Loss			
- Remeasurement of Defined Benefit Plans		0.24	(0.17)
(b) Tax relating to items that will not be reclassified to Profit or Loss		-	-
(c) Items that will be reclassified to profit or loss			
- Effective portion of gains and losses on designated portion of hedging instruments in a cash flow hedge		158.20	9.67
(d) Tax relating to items that will be reclassified to Profit or Loss		-	-
Total Other Comprehensive Income for the year (Net of Tax)		158.44	9.50
Total Comprehensive Income for the year		163.98	51.90
Earnings Per Equity Share (EPS) (in ₹)			
(Face Value ₹ 10 Per Share)			
Basic & Diluted Earnings Per Share	36	(3.43)	(2.39)

See accompanying notes forming part of the financial statements

As per our attached report of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm Registration Number: 117366W/W-100018

MOHAMMED BENGALI

Partner

Membership No. 105828

For and on behalf of the Board of Directors

ADANI TRANSMISSION LIMITED**GAUTAM S. ADANI**

Chairman

DIN: 00006273

ANIL SARDANA

Managing Director and

Chief Executive Officer

DIN: 00006867

KAUSHAL SHAH

Chief Financial Officer

JALADHI SHUKLA

Company Secretary

Place: Mumbai

Date: 9th May 2020

Place: Ahmedabad

Date: 9th May 2020

Statement of Cash Flows

for the year ended 31st March 2020

Particulars	(₹ in Crores)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
A. Cash flows from operating activities		
Profit before tax	5.54	54.00
Adjustments for:		
Depreciation and Amortisation Expense	0.30	0.12
Gain on Sale/Fair Value of Current Investments measured at FVTPL	(22.61)	(3.87)
Finance Costs	804.78	686.14
Unrealised Foreign Exchange (Gain)/Loss - Borrowings net of hedging	(37.59)	47.31
Unclaimed liabilities/Excess provision written back	(0.10)	(0.11)
Write downs in Inventory value	1.68	-
Allowance for Doubtful Debts	9.63	-
Gain on Sale of Non current Investment	(54.74)	-
Interest income	(718.38)	(794.60)
Operating Loss before working capital changes	(11.49)	(11.01)
Movement in Working Capital:		
(Increase)/Decrease in Assets:		
Other financial assets and other assets	(3.94)	14.05
Inventories	-	1.33
Trade Receivables	(96.59)	19.62
Increase/(Decrease) in Liabilities:		
Other financial liabilities, other liabilities and provisions	23.64	1.65
Trade Payables	72.11	20.83
Cash (used in)/generated from operations	(16.27)	46.47
Direct Tax paid (net of refunds)	(1.08)	(23.35)
Net cash flows (used in)/generated from operating activities (A)	(17.35)	23.12
B. Cash flows from investing activities		
Receipt/(Payment) for Property, Plant and Equipment	0.35	(0.85)
Acquisition of Subsidiaries	(50.22)	(1,289.65)
Advance for Business Acquisition	(17.21)	-
Payment for purchase of non-current financial assets		
Equity Shares – subsidiaries	(124.88)	(22.57)
Loan to Subsidiary in the nature of Equity	-	(257.23)
Investment in Optionally Convertible Debentures of Subsidiary Company	(238.13)	-
Proceeds on Redemption of non-current financial assets		
Preference Shares – subsidiaries	-	1,090.63
Proceeds from Redemption of Optionally Convertible Redeemable Debentures by Subsidiary Companies	608.06	-
Proceeds on Sale of Equity Shares in Subsidiary Company	1,209.62	-
Sale/(Purchase) of current investment (net)	112.71	(86.23)
Proceeds from/(Deposits in) Bank deposits (net) (Including Margin money deposit)	(218.17)	(146.03)
Loans given to subsidiaries	(6,969.75)	(4,217.00)
Loans repaid by subsidiaries	6,916.78	3,569.46
Interest received	741.92	1,092.97
Net cash flows from/(used in) investing activities (B)	1,971.08	(266.50)

Statement of Cash Flows

for the year ended 31st March 2020

Particulars	(₹ in Crores)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
C. Cash flows from financing activities		
Payment for Lease Liability including interest	(0.18)	-
Proceeds from Long-term borrowings	4,436.26	-
Repayment of Long-term borrowings	(3,396.60)	(693.40)
Proceeds from Short-term borrowings	2,729.99	6,496.10
Repayment of Short-term borrowings	(3,610.79)	(6,634.55)
Proceeds from issue of Unsecured Perpetual Equity Instrument	700.00	1,254.00
Repayment of Unsecured Perpetual Equity Instrument	(1,209.62)	-
Distribution on Unsecured Perpetual Equity Instrument	(2.28)	(0.31)
Finance costs paid	(830.95)	(655.66)
Net cash flows used in financing activities (C)	(1,184.17)	(233.82)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	769.56	(477.20)
Cash and cash equivalents at the beginning of the year	31.22	508.42
Cash and cash equivalents at the end of the year	800.78	31.22

Cash and cash equivalents includes – Refer note 14	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Balances with banks		
- In current accounts	703.16	15.74
- Fixed Deposits (with original maturity for three months or less)	97.62	15.48
Total Cash and cash equivalents	800.78	31.22

Note:

Conversion of Unsecured Perpetual Instrument ₹ 280.95 Crores, ICD to Subsidiary Company (including interest accrued) ₹ 460.25 Crores into investment in equity shares of the Subsidiary Company have been treated as non cash transactions.

Notes to Statement of Cash Flows:

- The Statement of Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 "Statement of Cash Flows"
- Disclosure under Para 44A as set out in Ind AS on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is given below:

Changes in liabilities arising from financing activities

Particulars	1 st April 2019	Cash Flows	Unrealised Foreign Exchange Gain/(Loss)	Other	(₹ in Crores)
					31 st March 2020
Long-term Borrowings (Including Current Maturities of Long-Term Debt)	6,305.54	1,039.66	522.50	(11.87)	7,855.83
Short-term Borrowings	848.74	(880.79)	-	32.05	-
Unsecured Perpetual Equity Instrument including Distribution (Net of Tax)	3,408.03	(511.90)	-	383.29	3,279.42
Total	10,562.31	(353.03)	522.50	403.47	11,135.25

Statement of Cash Flows

for the year ended 31st March 2020

Changes in liabilities arising from financing activities

(₹ in Crores)

Particulars	1 st April 2018	Cash Flows	Unrealised Foreign Exchange Gain/(Loss)	Other	31 st March 2019
Long-term Borrowings (Including Current Maturities of Long-Term Debt)	6,786.18	(693.40)	199.00	13.76	6,305.54
Short-term Borrowings	1,010.65	(138.45)	-	(23.46)	848.74
Unsecured Perpetual Equity Instrument including Distribution (Net of Tax)	1,848.63	1,253.69	-	305.71	3,408.03
Total	9,645.46	421.84	199.00	296.01	10,562.31

See accompanying notes forming part of the financial statements

As per our attached report of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm Registration Number: 117366W/W-100018

MOHAMMED BENGALI

Partner

Membership No. 105828

Place: Mumbai

Date: 9th May 2020

For and on behalf of the Board of Directors

ADANI TRANSMISSION LIMITED**GAUTAM S. ADANI**

Chairman

DIN: 00006273

KAUSHAL SHAH

Chief Financial Officer

Place: Ahmedabad

Date: 9th May 2020**ANIL SARDANA**

Managing Director and

Chief Executive Officer

DIN: 00006867

JALADHI SHUKLA

Company Secretary

Statement of Changes in equity

for the year ended 31st March 2020

A. Equity Share Capital

Particulars	No. Shares	(₹ in Crores)
Balance as at 1st April 2018	1,09,98,10,083	1,099.81
i) Issue of shares during the year	-	-
Balance as at 31st March 2019	1,09,98,10,083	1,099.81
i) Issue of shares during the year	-	-
Balance as at 31st March 2020	1,09,98,10,083	1,099.81

B. Unsecured Perpetual Equity Instrument

Particulars	(₹ in Crores)
Balance as at 1st April 2018	1,848.63
i) Add: Availed during the year	1,254.00
ii) Add: Distribution on Unsecured Perpetual Equity Instrument (Net of Tax)	305.40
Balance as at 31st March 2019	3,408.03
i) Add: Availed during the year	700.00
ii) Add: Distribution on Unsecured Perpetual Equity Instrument (Net of Tax)	381.01
iii) Less: Repaid during the year	(1,209.62)
Balance as at 31st March 2020	3,279.42

C. Other Equity

For the year ended 31st March 2020

Particulars	Reserves and Surplus			Item of Other Comprehensive Income	Total
	Capital Reserve	General Reserve	Retained Earnings	Effective portion of Cash flow Hedge	
Balance as at 1st April 2018	11.47	1,220.60	(141.74)	(186.00)	904.33
Profit for the year	-	-	42.40	-	42.40
(Less): Distribution on Unsecured Perpetual Equity Instrument	-	-	(305.71)	-	(305.71)
Add/(Less): Other Comprehensive Income for the year (Net of Tax)	-	-	(0.17)	9.67	9.50
Balance as at 31st March 2019	11.47	1,220.60	(405.22)	(176.33)	650.52
Profit for the year	-	-	5.54	-	5.54
(Less): Distribution on Unsecured Perpetual Equity Instrument	-	-	(383.29)	-	(383.29)
Add: Other Comprehensive Income for the year (Net of Tax)	-	-	0.24	158.20	158.44
Balance as at 31st March 2020	11.47	1,220.60	(782.73)	(18.13)	431.21

See accompanying notes forming part of the financial statements

As per our attached report of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm Registration Number: 117366W/W-100018

MOHAMMED BENGALI

Partner

Membership No. 105828

Place: Mumbai

Date: 9th May 2020

For and on behalf of the Board of Directors

ADANI TRANSMISSION LIMITED

GAUTAM S. ADANI

Chairman

DIN: 00006273

KAUSHAL SHAH

Chief Financial Officer

Place: Ahmedabad

Date: 9th May 2020

ANIL SARDANA

Managing Director and

Chief Executive Officer

DIN: 00006867

JALADHI SHUKLA

Company Secretary

Notes to Standalone financial statements

for the year ended 31st March 2020

1. Corporate information

Adani Transmission Limited ("The Company") is a public limited company incorporated and domiciled in India, its ultimate holding entity is S. B. Adani Family Trust (SBAFT), having its registered office at Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009, Gujarat, India. The Company and its subsidiaries (together referred to as "the Group") are engaged in the business of generation, transmission and distribution of power through India. The Group develops, owns and operates transmission lines across the States of Gujarat, Rajasthan, Bihar, Jharkhand, Uttar Pradesh, Maharashtra, Haryana, Chhattisgarh and Madhya Pradesh. Apart from the above the group also deals in various agro commodities.

The Group has entered into new business opportunities, being laying optical fibres on transmission lines with the ambition of providing telecom solutions to Telcos, Internet service providers and long distance communication operators. The commercialization of the network is being done through leasing out spare capacities to potential players in the Telecom sector.

During the year, the Company has successfully won six transmission bids (Including LOI received for one project).

2. Significant accounting policies

(a) Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IndAS) as notified under the Companies (Indian Accounting Standards) Rules, 2017 read with Section 133 of the Companies Act, 2013 ("the Act") (as amended from time to time).

(b) Basis of preparation and presentation

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The Function currency of the Company is Indian Rupee (INR). The financial statements are presented in INR and all values are rounded to the nearest Crores (Transactions below ₹ 50,000.00 denoted as ₹ 0.00 Cr.), unless otherwise indicated.

(c) Business combinations

The Company accounts for its business combinations under acquisition method of accounting. Acquisition

related costs are recognised in statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

If the initial accounting for a business combination is incomplete as at the reporting date in which the combination occurs, the identifiable assets and liabilities acquired in a business combination are measured at their provisional fair values at the date of acquisition. Subsequently adjustments to the provisional values are made within the measurement period, if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date; otherwise the adjustments are recorded in the period in which they occur.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more

Notes to Standalone financial statements

for the year ended 31st March 2020

frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

(d) Current versus Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle; or
- Held primarily for the purpose of trading; or
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(e) Foreign Currency

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency are recognised at the rate of exchange prevailing on the date of the transactions. At the end of each reporting period, monetary items

denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except for:

- (i) exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- (ii) exchange differences on transactions entered into in order to hedge certain foreign currency risks (see note 46 for hedging accounting policies).
- (iii) Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss within finance costs. All the other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis.

(f) Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The specific recognition criteria described below must also be met before revenue is recognised:

(i) Income from Services

Revenues are recognised immediately when the service is provided. The Company collects the tax on behalf of the government and therefore, these are not economic benefits flowing to the Company. Hence they are excluded from revenue.

(ii) Sale of Goods

Revenue from sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- > The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- > The amount of revenue can be measured reliably; and
- > It is probable that the economic benefits associated with the transaction will flow to the Company.

Notes to Standalone financial statements

for the year ended 31st March 2020

There is no significant judgement involved while evaluating the timing as to when customers obtain control of promised goods and services.

(iii) Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and amount of the income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(iv) Other Income

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

(g) Taxation

Tax on Income comprises current tax and deferred tax. These are recognised in the statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

i) Current Tax:

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments /appeals. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations for which applicable tax regulations are subject to interpretation and revises the provisions where appropriate.

Current income tax relating to items is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

ii) Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of

assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

(h) Property, Plant and Equipment (PPE)

Property, plant and equipment are stated at original cost grossed up with the amount of tax/duty benefits availed, less accumulated depreciation and accumulated impairment losses, if any. Properties in the course of construction are carried at cost, less any recognised impairment losses. All costs, including borrowing costs incurred up to the date the asset is ready for its intended use, is capitalised along with respective asset.

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Fixtures equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Subsequent additions to the assets after capitalisation are accounted for at cost. Cost includes purchase price (net of trade discount & rebates) and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with Ind AS 23. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Depreciation is recognised based on the cost of assets (other than freehold land) less their residual

Notes to Standalone financial statements

for the year ended 31st March 2020

values over their useful lives, using the straight-line method. The useful life of property, plant and equipment is considered based on life prescribed in schedule II to the Companies Act, 2013. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of assets are as follows:-

Type of Assets	Useful lives
Plant and Equipment	3-15 Years
Furniture and Fixtures	10 Years
Office Equipment	5 Years
Computer Equipment	3 Years
Vehicles	10 Years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

(i) Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment losses (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset

for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

(j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

(k) Inventories

Inventories are stated at the lower of weighted average cost or net realisable value. Costs include all non-refundable duties and all charges incurred in bringing the goods to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Unserviceable/damaged stores and spares are identified and written down based on technical evaluation.

(l) Employee benefits

Defined benefit plans

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees through Group Gratuity Scheme of Life Insurance Corporation of India. The Company

Notes to Standalone financial statements

for the year ended 31st March 2020

accounts for the liability for the gratuity benefits payable in future based on an independent actuarial valuation carried out using Projected Unit Credit Method considering discounting rate relevant to Government Securities at the Balance Sheet Date.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in the statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs;
- Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss;
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers

the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Defined benefit costs in the nature of current and past service cost and net interest expense or income are recognized in the statement of profit and loss in the period in which they occur. Actuarial gains and losses on remeasurement is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur and is reflected immediately in retained earnings and not reclassified to profit or loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment.

Defined Contribution Plans

Retirement Benefits in the form of Provident Fund and Family Pension Fund which are defined contribution schemes are charged to the statement of profit and loss for the period in which the contributions to the respective funds accrue.

Compensated Absences

Provision for Compensated Absences and its classifications between current and non-current liabilities are based on independent actuarial valuation. The actuarial valuation is done as per the projected unit credit method as at the reporting date.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

(m) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price

Notes to Standalone financial statements

for the year ended 31st March 2020

is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Fair value measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on

the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(n) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

(A) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

1. Classification of financial assets

- Financial assets that meet the following conditions are subsequently measured at amortised cost (except for financial assets that are designated at fair value through profit or loss on initial recognition):
 - The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
 - The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of

Notes to Standalone financial statements

for the year ended 31st March 2020

principal and interest on the principal amount outstanding.

- For the impairment policy on financial assets measured at amortised cost, Refer note 47
- All other financial assets are subsequently measured at fair value.

a) *Financial assets at amortised cost*

Financial assets are subsequently measured at amortised cost using the effective interest rate method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) *Financial assets at fair value through other comprehensive income (FVTOCI)*

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the Company makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

c) *Financial assets at fair value through profit or loss (FVTPL)*

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading. Other financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the Statement of Profit and Loss.

2. Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial assets and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and transaction costs and other premiums or discounts) through the expected life of the financial assets, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value through Profit and Loss (FVTPL). Interest income is recognised in the Statement of Profit and Loss and is included in the "Other income" line item.

3. Derecognition of financial assets

The Company derecognise a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received/receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised

Notes to Standalone financial statements

for the year ended 31st March 2020

in profit or loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

4. Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

Expected credit losses rate the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instruments has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that will results if default occurs within the 12 months after the reporting date and this, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

5. Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in the Statement of Profit and Loss.

(B) Financial liabilities and equity instruments

1. Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

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for the year ended 31st March 2020

3. Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the Effective Interest Rate (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

4. Financial liabilities at Fair Value through Profit or Loss (FVTPL)

A financial liability may be designated as at FVTPL upon initial recognition if:

- (a) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- (b) The financial liability whose performance is evaluated on a fair value basis, in accordance with the Company's documented risk management.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Statement of Profit and Loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Fair values are determined in the manner described in Refer note 47.

5. Financial liabilities at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid

or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Trade and other payables are recognised at the transaction cost, which is its fair value, and subsequently measured at amortised cost.

6. Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL or amortisation cost, the foreign exchange component forms part of the fair value gains or losses and is recognised in the Statement of Profit and Loss.

7. Derecognition of Financial Liability

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

(o) Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and

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financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

(p) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(q) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement:

In order to hedge its exposure to foreign exchange and interest rate risks, the Company enters into forward, Principle only Swaps (POS) and other derivative financial instruments. The Company does not hold derivative financial instruments for speculative purposes.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the statement of profit and loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.

Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting.

The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

i) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the statement of profit and loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with

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a corresponding gain or loss recognised in statement of profit and loss.

Hedge accounting is discontinued when the Company revokes the hedge relationship, the hedging instrument or hedged item expires or is sold, terminated, or exercised or no longer meets the criteria for hedge accounting.

ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

Amounts recognised in OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

(r) Cash & Cash Equivalents

Cash comprises cash on hand, cash at bank and demand deposit with banks (with an original maturity of three months or less from the date of creation). Cash equivalents are short-term balances that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(s) Statement of Cash Flows

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(t) Provision, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise are disclosed as contingent liability and not provided for. Such liability is not disclosed if the possibility of outflow of resources is remote.

Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets are not recognised but disclosed only when an inflow of economic benefits is probable.

(u) Earnings Per Share

Basic earnings per equity share is computed by dividing the net profit/(loss) attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic

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earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

(v) Leases

i) Under Ind AS 116 Leases:

Effective from 1st April 2019, the Company adopted Ind AS 116 – Leases and applied the standard to all lease contracts existing as on 1st April 2019 using the modified retrospective method on the date of initial application i.e. 1st April 2019.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases as an expense in the statement of Profit and Loss on a straight-line basis over the lease term.

Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease

term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method.

ii) Under Ind AS 17 Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

As a Lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

As a Lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Lease payments

Payments made under operating leases are generally recognised in profit and loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

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Refer Note 4.2 for details on transition to Ind AS 116 Leases.

3. Critical accounting judgements and key sources of estimation uncertainty

The application of the Company's accounting policies as described in Note 2, in the preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

The estimates and underlying assumptions are reviewed on an ongoing basis and any revisions thereto are recognized in the period in which they are revised or in the period of revision and future periods if the revision affects both the current and future periods. Actual results may differ from these estimates which could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

3.1 Control over Subsidiary¹

During the year, the Company entered into an agreement with Qatar Investment Authority ("QIA"), through Qatar Holdings LLC ("QH"), pursuant to which it has disposed off 25.1% stake in Adani Electricity Mumbai Limited ("AEML") to QIA. The Company continues to own 74.9% ownership interest in AEML. The Management has assessed whether or not it has control over AEML. In making their judgement, the Company considered the powers it has to appoint and remove majority directors on the Board of AEML and the practical ability to direct the relevant activities of AEML, in light of the various rights available to both parties with the aforesaid agreement with QIA. Based on such assessment, the management has concluded that it has sufficient power to direct the relevant activities of AEML and therefore, AEML continues to be controlled by the Company and considered as subsidiary company.

3.2 Impairment of financial assets

Investments made/Intercompany deposits ("ICDs") given to subsidiaries²

In case of investments made and Intercompany Deposits ("ICD") given by the Company to its subsidiaries, the Management assesses whether there is any indication of impairment in the value of such investments and ICDs given. The carrying

amount is compared with the present value of future net cash flow of the subsidiaries.

3.3 Taxation

Deferred tax assets²

Deferred tax assets are recognised for unused tax losses/credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

3.4 Fair value measurement of financial instruments²

In estimating the fair value of financial assets and financial liabilities, the Company uses market observable data to the extent available. Where such Level 1 inputs are not available, the Company establishes appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 47.

¹ Critical accounting judgement

² Key sources of estimation uncertainties

4.1 Standards issued but not effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April 2020.

4.2 Change in accounting policies and disclosures

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases, including Appendix A of Ind AS 17 Operating Leases-Incentives, Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and Appendix C of Ind AS 17, Determining whether an Arrangement contains a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Group is the lessor.

The Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1st April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1st April 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

The effect of adoption Ind AS 116 as at 1st April 2019 (increase/ (decrease)) is, as follows:

Assets	₹ in Crores
Right of Use Asset	0.48
Total Assets	0.48
Liabilities	
Lease Liability Obligation	0.48
Total Liabilities	0.48

The Company has lease contract for Leave Rights. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Refer to Note 2 (v) Leases for the accounting policy prior to 1 April 2019.

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 2 (v) Leases for the accounting policy beginning 1 April 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

Leases previously classified as finance Leases

The Company did not have any finance leases.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and

leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relied on its assessment of whether leases are onerous immediately before the date of initial application;
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application;
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application;
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Assets	₹ in Crores
Operating lease commitments as at 31 March 2019	-
Weighted average incremental borrowing rate as at 1 April 2019	9.81%
Discounted operating lease commitments as at 1 April 2019	0.48
Lease liabilities as at 1 April 2019	0.48

Adoption of the above standard did not have material financial impact on the Financial Statements of the Company.

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5. Property, Plant and Equipment

(₹ in Crores)

Description of Assets	Tangible Assets						Total
	Land (Free hold)	Plant and Equipment	Furniture and Fixtures	Office Equipment	Computer Equipment	Vehicles	
I. Gross Carrying Amount							
Balance as at 1st April 2018	0.04	0.41	0.07	0.07	0.01	0.14	0.74
Additions during the Year	-	-	-	-	-	0.69	0.69
Disposals during the Year	-	-	-	-	-	-	-
Balance as at 31st March 2019	0.04	0.41	0.07	0.07	0.01	0.83	1.43
Additions during the Year	-	-	-	-	-	-	-
Disposals during the Year	-	-	-	-	-	0.09	0.09
Balance as at 31st March 2020	0.04	0.41	0.07	0.07	0.01	0.74	1.34
II. Accumulated depreciation							
Balance as at 1st April 2018	-	0.08	0.01	0.04	0.00	0.03	0.16
Depreciation for the year	-	0.03	0.01	0.02	0.01	0.05	0.12
Eliminated on disposal of assets	-	-	-	-	-	-	-
Balance as at 31st March 2019	-	0.11	0.02	0.06	0.01	0.08	0.28
Depreciation for the year	-	0.03	0.01	0.01	0.00	0.09	0.14
Eliminated on disposal of assets	-	-	-	-	-	-	-
Balance as at 31st March 2020	-	0.14	0.03	0.07	0.01	0.17	0.42

(₹ in Crores)

Description of Assets	Land (Free hold)	Plant and Equipment	Furniture and Fixtures	Office Equipment	Computer Equipment	Vehicles	Total
Net Carrying Amount:							
As at 31st March 2019	0.04	0.30	0.05	0.01	0.00	0.75	1.15
As at 31st March 2020	0.04	0.27	0.04	0.00	0.00	0.57	0.92

(Figures below ₹ 50,000 denoted as ₹ 0.00 Crores)

For charge created on aforesaid assets, Refer note 22.

5 a) Right of Use Assets

(₹ in Crores)

Particulars	Right of Use Assets	
	Plant and Equipment	Total
Gross carrying value		
Balance as at 1st April 2019	-	-
On Transition to Ind AS 116	0.48	0.48
Additions during the year	-	-
Disposals during the year	-	-
Balance as at 31st March 2020	0.48	0.48
Accumulated Amortisation		
Balance as at 1st April 2019	-	-
On Transition to Ind AS 116	-	-
Amortisation Charge for the year	0.16	0.16
Eliminated on disposal of assets	-	-
Balance as at 31st March 2020	0.16	0.16
Net Carrying Value	0.32	0.32

For Charge created on aforesaid asset, Refer note 22.

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for the year ended 31st March 2020

Depreciation/Amortisation	(₹ in Crores)	
	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Depreciation on Tangible Assets	0.14	0.12
Amortisation of Right of Use Assets	0.16	-
Total	0.30	0.12

6. Non Current Financial Assets - Investments

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
I. Investments – carried at Cost.		
(a) Investments in Equity Instruments – Unquoted		
Investments in Subsidiary Companies (Face value of ₹ 10 each)		
11,00,50,000 (31.03.2019: 11,00,50,000) Equity Shares of Adani Transmission (India) Limited of ₹ 10 each	343.10	343.10
70,75,00,000 (31.03.2019: 70,75,00,000) Equity Shares of Maharashtra Eastern Grid Power Transmission Company Limited of ₹ 10 each	903.50	903.50
4,40,00,000 (31.03.2019: 4,40,00,000) Equity Shares of Sipat Transmission Limited of ₹ 10 each	44.00	44.00
9,11,00,000 (31.03.2019: 9,11,00,000) Equity Shares of Raipur - Rajnandgaon-Warora Transmission Limited of ₹ 10 each	91.10	91.10
6,80,00,000 (31.03.2019: 6,80,00,000) Equity Shares of Chhattisgarh-WR Transmission Limited of ₹ 10 each	68.00	68.00
84,99,999 (31.03.2019: 84,99,999) Equity Shares of Adani Transmission (Rajasthan) Limited of ₹ 10 each	8.50	8.50
50,000 (31.03.2019: 50,000) Equity Shares of North Karanpura Transco Limited of ₹ 10 each	0.05	0.05
89,40,000 (31.03.2019: 89,40,000) Equity Shares of Maru Transmission Service Company Limited of ₹ 10 each	8.94	8.94
52,30,000 (31.03.2019: 52,30,000) Equity Shares of Aravali Transmission Service Company Limited of ₹ 10 each	5.23	5.23
1,00,00,000 (31.03.2019: 1,00,00,000) Equity Shares of Hadoti Power Transmission Service Limited of ₹ 10 each	10.00	10.00
80,00,000 (31.03.2019: 80,00,000) Equity Shares of Barmer Power Transmission Service Limited of ₹ 10 each	8.00	8.00
70,00,000 (31.03.2019: 70,00,000) Equity Shares of Thar Power Transmission Service Limited of ₹ 10 each	7.00	7.00
1,00,00,000 (31.03.2019: 1,00,00,000) Equity Shares of Western Transco Power Limited of ₹ 10 each	11.84	11.84
1,00,00,000 (31.03.2019: 1,00,00,000) Equity Shares of Western Transmission (Gujarat) Limited of ₹ 10 each	13.01	13.01
2,55,00,000 (31.03.2019: 1,20,00,000) Equity Shares of Fatehgarh-Bhadla Transmission Limited of ₹ 10 each	25.50	12.00
8,22,50,000 (31.03.2019 : 50,000) Equity Shares of Ghatampur Transmission Limited of ₹ 10 each (Refer Note 1 below)	107.68	0.05
301,15,96,827 (31.03.2019 : 340,00,50,000) Equity Shares of Adani Electricity Mumbai Limited of ₹ 10 each	3,427.06	3,834.31
99,99,999 (31.03.2019 : 99,99,999) Equity Shares of Adani Transmission Bikaner Sikar Private Limited (Formerly known as 'KEC - Bikaner - Sikar Transmission Private Limited') of ₹ 10 each (Refer Note 1 below)	51.06	22.18
5,55,00,000 (31.03.2019: 10,000) Equity Shares of OBRA-C Badaun Transmission Limited of ₹ 10 each	55.50	0.01
10,000 (31.03.2019: 10,000) Equity Shares of AEML Infrastructure Limited of ₹ 10 each	0.01	0.01

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6. Non Current Financial Assets - Investments (Contd..)

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
10,000 (31.03.2019: Nil) Equity Shares of Bikaner Khetri Transmission Limited of ₹ 10 each	0.01	-
50,000 (31.03.2019: Nil) Equity Shares of WRSS XXI (A) Transco Limited of ₹ 10 each	0.05	-
50,000 (31.03.2019: Nil) Equity Shares of Lakadia Banaskantha Transco Limited of ₹ 10 each	0.05	-
50,000 (31.03.2019: Nil) Equity Shares of Jam Khambaliya Transco Limited of ₹ 10 each	0.05	-
10,000 (31.03.2019: Nil) Equity Shares of Arasan Infra Private Limited of ₹ 10 each	0.01	-
10,000 (31.03.2019: Nil) Equity Shares of Sunrays Infra Space Private Limited of ₹ 10 each	0.01	-
7,490 (31.03.2019 : Nil) Equity Shares of Power Distribution Services Limited (Formerly known as 'Adani Electricity Mumbai Services Limited') of ₹ 10 each	0.01	-
Total (a)	5,189.27	5,390.83
(b) Investments in Preference Shares - Unquoted		
Investments in wholly owned Subsidiary Companies (Face value of ₹ 10 each)		
Investments in Optionally Convertible Redeemable Preference Shares - Unquoted		
17,58,06,607 (31.03.2019: 17,58,06,607) Preference shares of Adani Transmission (India) Limited of ₹ 10 each	175.81	175.81
36,88,42,500 (31.03.2019: 36,88,42,500) Preference shares of Maharashtra Eastern Grid Power Transmission Company Limited of ₹ 10 each	368.84	368.84
Total (b)	544.65	544.65
(c) Investments in 0% Compulsory Convertible Debentures (CCD) - Unquoted		
Investments in wholly owned Subsidiary Companies (Face value of ₹ 100 each)		
Nil (31.03.2019: 1,31,62,122) CCD of Sipat Transmission Limited of ₹ 100 each	-	131.62
Nil (31.03.2019: 2,59,10,517) CCD of Raipur Rajnandgaon Warora Transmission Limited of ₹ 100 each	-	259.11
Nil (31.03.2019: 1,85,71,898) CCD of Chhattisgarh-WR Transmission Limited of ₹ 100 each	-	185.72
31,57,031 (31.03.2019: 31,57,031) CCD of North Karanpura Transco Limited of ₹ 100 each	31.57	31.57
Nil (31.03.2019: 18,33,972) CCD of Hadoti Power Transmission Service Limited of ₹ 100 each	-	18.34
Nil (31.03.2019: 9,08,020) CCD of Barmer Power Transmission Service Limited of ₹ 100 each	-	9.08
Nil (31.03.2019: 4,19,272) CCD of Thar Power Transmission Service Limited of ₹ 100 each	-	4.19
Total (c)	31.57	639.63
Total I (a + b + c)	5,765.49	6,575.11

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
II. Investments - carried at Fair Value through profit or loss (FVTPL)		
(a) Investments in 0% Optionally Convertible Redeemable Preference Shares - Unquoted		
Investments in wholly owned Subsidiary Company (Face value of ₹ 10 each)		
3,45,00,000 (31.03.2019 : 3,45,00,000) Preference Shares of Adani Transmission Bikaner Sikar Private Limited (Formerly known as 'KEC - Bikaner - Sikar Transmission Private Limited') of ₹ 10 each	6.28	35.16
Total (a)	6.28	35.16

Notes to Standalone financial statements

for the year ended 31st March 2020

6. Non Current Financial Assets - Investments (Contd..)

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
(b) Investments in 10.85% Optionally Convertible Debentures (OCD) - Unquoted		
Investments in wholly owned Subsidiary Companies (Face value of D 100 each)		
2,38,13,373 (31.03.2019: Nil) OCD of Ghatampur Transmission Limited of ₹ 100 each	212.70	-
Total (b)	212.70	-
Total II (a+b)	218.98	35.16

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
III. Investments – Loan to wholly owned subsidiary company in the nature of Equity support carried at Cost – Unquoted		
Adani Electricity Mumbai Limited	-	257.23
Total III	-	257.23
Total (I+II+III)	5,984.47	6,867.50

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Aggregate carrying value of unquoted investments		
Investment in Equity Instruments	5,189.27	5,390.83
Investment in Preference Shares	550.93	579.81
Investment in Compulsory Convertible Debentures	31.57	639.63
Investment in Optionally Convertible Debentures	212.70	-
Investment in Loan in the nature of Equity	-	257.23
Total	5,984.47	6,867.50

Notes:

1) Value of Deemed Investment accounted in subsidiaries in term of fair valuation under Ind AS 109

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Ghatampur Transmission Limited	25.43	-
Adani Transmission Bikaner Sikar Private Limited (Formerly known as 'KEC - Bikaner - Sikar Transmission Private Limited')	28.88	-
Total	54.31	-

2) Number of Shares/CCD/OCD pledged with Lenders against borrowings by the parent company and its subsidiaries are as per below :

Particulars	Number of Equity Shares Pledged	
	As at 31 st March 2020	As at 31 st March 2019
Subsidiary Companies		
Maharashtra Eastern Grid Power Transmission Company Limited	70,74,99,994	70,74,99,994
Adani Transmission (India) Limited	11,00,49,994	11,00,49,994
Sipat Transmission Limited	4,39,99,400	2,24,40,000
Raipur – Rajnandgaon – Warora Transmission Limited	9,10,99,400	4,64,61,000
Chhattisgarh – WR Transmission Limited	6,79,99,400	3,46,80,000
Adani Transmission (Rajasthan) Limited	68,15,000	26,50,000
Maru Transmission Service Company Limited	89,39,994	66,15,594

Notes to Standalone financial statements

for the year ended 31st March 2020

6. Non Current Financial Assets - Investments (Contd..)

Particulars	Number of Equity Shares Pledged	
	As at	As at
	31 st March 2020	31 st March 2019
Aravali Transmission Service Company Limited	52,29,994	38,70,194
Hadoti Power Transmission Service Limited	99,99,994	89,99,994
Barmer Power Transmission Service Limited	79,99,994	79,99,994
Thar Power Transmission Service Limited	69,99,994	69,99,994
Western Transco Power Limited	51,00,000	51,00,000
Western Transmission (Gujarat) Limited	30,00,000	30,00,000
Adani Transmission Bikaner Sikar Private Limited (Formerly known as 'KEC - Bikaner - Sikar Transmission Private Limited')	99,99,993	51,00,000
Fatehgarh-Bhadla Transmission Limited	36,00,000	28,53,000
Ghatampur Transmission Limited	4,19,47,500	-
Adani Electricity Mumbai Limited	1,73,40,25,500	-
OBRA-C Badaun Transmission Limited	1,02,00,000	-

Particulars	Number of Equity Shares to be Pledged	
	As at	As at
	31 st March 2020	31 st March 2019
Subsidiary Companies		
Adani Transmission (Rajasthan) Limited	16,84,993	-
OBRA-C Badaun Transmission Limited	1,81,05,000	-
Adani Electricity Mumbai Limited	1,27,75,71,321	-
Fatehgarh-Bhadla Transmission Limited	-	7,47,000

Particulars	Number of Preference Shares Pledged	
	As at	As at
	31 st March 2020	31 st March 2019
Subsidiary Companies		
Western Transco Power Limited	5,10,000	-
Adani Transmission Bikaner Sikar Private Limited (Formerly known as 'KEC - Bikaner - Sikar Transmission Private Limited')	3,45,00,000	-

Particulars	Number of CCD Pledged	
	As at	As at
	31 st March 2020	31 st March 2019
Subsidiary Companies		
Hadoti Power Transmission Service Limited	-	18,33,972
Barmer Power Transmission Service Limited	-	9,08,020
Thar Power Transmission Service Limited	-	4,19,272

Particulars	Number of OCD Pledged	
	As at	As at
	31 st March 2020	31 st March 2019
Subsidiary Companies		
Ghatampur Transmission Limited	1,21,44,821	-

Notes to Standalone financial statements

for the year ended 31st March 2020

7. Non Current Financial Assets - Loans (At Amortised Cost)

(Unsecured, considered good)

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Loans to Subsidiary Companies	4,142.49	4,374.99
Debt instruments carried at amortised cost: (Unquoted)		
0.01% Compulsorily Convertible Preference Shares in wholly owned subsidiary companies:		
10,00,000 (31.03.2019: 10,00,000) Preference Shares of Western Transco Power Limited of ₹ 10 each	3.70	3.26
10,00,000 (31.03.2019: 10,00,000) Preference Shares of Western Transmission (Gujarat) Limited of ₹ 10 each	2.24	1.97
Total	4,148.43	4,380.22

Notes:

- 5,10,000 (31.03.2019: 5,10,000) Preference shares of Western Transco Power Limited has been pledged.
- Charges has been created on loans given to wholly owned subsidiaries namely (i) Adani Transmission (India) Limited (ATIL) of ₹ 1,409.70 Crores (31.03.2019: ₹ 1,980.22 Crores) and (ii) Maharashtra Eastern Grid Power Transmission Company Limited (MEGPTCL) of ₹ 2,040.45 Crores (31.03.2019: ₹ 2,438.34 Crores)

8. Non Current Financial Assets - Others

(Unsecured, Considered Good)

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Advance for Business Acquisition (Refer note 38b)	17.21	-
Derivative instruments designated in hedge accounting relationship	220.59	-
Security Deposits	-	0.03
Total	237.80	0.03

For Charge created on aforesaid assets, Refer note 22.

9. Income Tax Assets (Net)

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Advance Income Tax [Net of Provision ₹ 12.63 Crores (As at 31 st March 2019 ₹ 12.63 Crores)]	23.52	22.44
Total	23.52	22.44

10. Non Current Assets - Others

(Unsecured, Considered Good)

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Group Gratuity Fund (Includes contribution of subsidiaries)	1.98	1.56
Total	1.98	1.56

For Charge created on aforesaid assets, Refer note 22.

Notes to Standalone financial statements

for the year ended 31st March 2020

11. Inventories

(Valued at lower of Cost and Net Realisable Value)

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Stores & spares	-	1.70
Total	-	1.70

- During the year ended 31st March 2020 ₹ 1.68 Crores (Previous Year ₹ Nil) was recognised as an expense for inventories carried at net realisable value.

12. Current Financial Assets - Investments

Particulars	Face Value of ₹ unless otherwise specified	No. of Units	(₹ in Crores)	
			As at 31 st March 2020	As at 31 st March 2019
Investment in Mutual Funds units at FVTPL (Unquoted)				
Kotak Liquid Fund Direct Growth (NAV Nil/PY – ₹ 3,784.3285)	Nil (PY: ₹ 1,000)	Nil (P.Y.: 52,893.26)	-	20.02
Axis Liquid Fund Direct Growth (NAV Nil/PY – ₹ 2,073.5234)	Nil (PY: ₹ 1,000)	Nil (P.Y.: 96,570.58)	-	20.02
Edelweiss Liquid Fund Direct Growth (NAV Nil/PY – ₹ 2,403.412)	Nil (PY: ₹ 1,000)	Nil (P.Y.: 74,974.18)	-	18.02
UTI Liquid Cash Plan Direct Growth (NAV Nil/PY – ₹ 3,060.7399)	Nil (PY: ₹ 1,000)	Nil (P.Y.: 6,542.28)	-	2.00
Yes Liquid Fund Direct Growth (NAV Nil/PY – ₹ 1,015.0627)	Nil (PY: ₹ 1,000)	Nil (P.Y.: 2,95,894.44)	-	30.04
Total			-	90.10
Aggregate carrying value of unquoted investments			-	90.10
Aggregate market value of unquoted investments			-	90.10

For Charge created on aforesaid assets, Refer note 22.

13. Trade Receivables

(Unsecured otherwise stated)

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Unsecured, Considered Good	96.68	9.72
Credit Impaired	9.61	-
	106.29	9.72
Less : Allowance for Doubtful Debts	9.61	-
Total	96.68	9.72

Notes to Standalone financial statements

for the year ended 31st March 2020

13 a) Age of Trade Receivable

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Within the Credit Period	96.68	0.11
Above the Credit Period	9.61	9.61
Total	106.29	9.72

Movement in the allowance for Doubtful Debts

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Balance at the beginning of the year	-	-
Add: Provision made during the year	9.61	-
Balance at the end of the year	9.61	-

For Charge created on aforesaid assets, Refer note 22.

14. Cash and Cash equivalents

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Balances with banks		
In current accounts	703.16	15.74
Fixed Deposits (with original maturity for three months or less)	97.62	15.48
Total	800.78	31.22

(Margin Money Against Bank Guarantees and Debt Service Reserve Account)

For Charge created on aforesaid assets, Refer note 22.

15. Bank balance other than Cash and Cash equivalents

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Fixed Deposits (with original maturity for more than three months)	-	-
- Others	375.00	-
- Margin Money	0.23	157.06
Total	375.23	157.06

(Margin Money Against Bank Guarantees and Debt Service Reserve Account)

For Charge created on aforesaid assets, Refer note 22.

16. Current Financial Assets - Loans (At Amortised Cost)

(Unsecured, Considered Good)

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Loans to Subsidiary Companies	810.41	945.88
Total	810.41	945.88

For Charge created on aforesaid assets, Refer note 22.

Notes to Standalone financial statements

for the year ended 31st March 2020

17. Current Financial Assets - Other

(Unsecured, Considered Good)

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Interest receivable	234.21	297.75
Derivative instruments designated in hedge accounting relationship	211.18	-
Security deposits	0.02	-
Advances to Related Parties	-	0.30
Other Receivable	3.30	-
Total	448.71	298.05

For Charge created on aforesaid assets, Refer note 22.

18. Other Current Assets

(Unsecured, Considered Good)

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Advances to Suppliers	0.54	1.03
Balances with Government authorities	4.19	3.13
Prepaid Expenses	0.14	0.13
Total	4.87	4.29

For Charge created on aforesaid assets, Refer note 22.

19. Equity Share Capital

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Authorised Share Capital		
150,00,00,000 (31.03.2019 – 150,00,00,000) Equity shares of ₹ 10 each	1,500.00	1,500.00
Total	1,500.00	1,500.00
Issued, Subscribed and Paid-up Equity Shares Capital		
109,98,10,083 (31.03.2019 – 109,98,10,083) Equity shares of ₹ 10 each fully paid up.	1,099.81	1,099.81
Total	1,099.81	1,099.81

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares

Particulars	As at 31 st March 2020		As at 31 st March 2019	
	No. Shares	(₹ in Crores)	No. Shares	(₹ in Crores)
At the beginning of the Year	1,09,98,10,083	1,099.81	1,09,98,10,083	1,099.81
Issued during the year	-	-	-	-
Outstanding at the end of the year	1,09,98,10,083	1,099.81	1,09,98,10,083	1,099.81

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend if proposed by the Board of Directors is subject to approval of the share holders in the ensuing Annual General Meeting. In the event of liquidation of the Company the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

Notes to Standalone financial statements

for the year ended 31st March 2020

c) Aggregate Number of shares issued, Shares issued for consideration other than cash during the period of 5 years immediately preceding the reporting date:

Particulars	As at	
	31 st March 2020	31 st March 2019
Company has issued and allotted fully paid up equity shares of ₹ 10 Each, to the equity shareholders of Adani Enterprises Limited ("AEL") pursuant to the Composite Scheme of Arrangement during F.Y. 2015-16	1,09,98,10,083	1,09,98,10,083

d) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 st March 2020		As at 31 st March 2019	
	No. Shares	% holding in the class	No. Shares	% holding in the class
Equity shares of ₹ 10 each				
Shri Gautam S. Adani/Shri Rajesh S. Adani (on behalf of S.B. Adani Family Trust)	62,11,97,910	56.48%	62,11,97,910	56.48%
Adani Tradeline LLP (Formerly known as Parsa Kente Rail Infra LLP)	9,94,91,719	9.05%	9,94,91,719	9.05%
	72,06,89,629	65.53%	72,06,89,629	65.53%

20. Unsecured Perpetual Equity Instrument

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Opening Balance	3,408.03	1,848.63
Add: Availed during the year	700.00	1,254.00
Add: Distribution on Unsecured Perpetual Equity Instrument (Net of Tax)	381.01	305.40
Less: Repaid during the year	1,209.62	-
Closing Balance	3,279.42	3,408.03

The Company has issued Unsecured Perpetual Equity Instrument (the "Instrument") to Adani Infra (India) Limited. This Instrument are perpetual in nature with no maturity or redemption and are callable only at the option of the Company. The distribution on part of these Instrument i.e ₹ 2,579.42 Crores (As at 31.03.2019: ₹ 3408.03 Crores) outstanding as at March 31, 2020 are fixed at coupon rate of 11.80% p.a. compounded annually and for remaining amount i.e. ₹ 700.00 Crores (As at 31.03.2019: ₹ Nil) outstanding as at March 31, 2020 are without any coupon rate. The obligation of the Company to repay the outstanding amounts shall rank on a pari passu basis with the obligations of the company to make payments/distributions in relation to any parity securities issued/ to be issued by the company and be senior to the obligations of the company to make payments/distributions in relation to preference and equity share capital and any other securities at par with preference and equity share capital of the Company.

As this Instrument are perpetual in nature and ranked senior only to the Share Capital of the Company and the Company does not have any redemption obligation, these are considered to be in the nature of equity instruments.

Notes to Standalone financial statements

for the year ended 31st March 2020

21. Other Equity

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
a) Capital Reserve (refer note (i) below)	11.47	11.47
Total (a)	11.47	11.47
b) Effective portion of cashflow Hedge (refer note (ii) below)		
Hedge Reserve		
Opening Balance	(176.33)	(186.00)
Add: Effective portion of cash flow hedge for the year	158.20	9.67
Closing Balance	Total (b)	(176.33)
c) General Reserve (refer note (iii) below)	1,220.60	1,220.60
Total (c)	1,220.60	1,220.60
d) Retained Earnings (refer note (iv) below)		
Opening Balance	(405.22)	(141.74)
Add: Profit for the year	5.54	42.40
Add/(Less): Other comprehensive income arising from remeasurement of Defined Benefit Plans	0.24	(0.17)
(Less): Distribution on Unsecured Perpetual Equity Instrument	(383.29)	(305.71)
Closing Balance	Total (d)	(405.22)
Total (a+b+c+d)	431.21	650.52

Notes:

- i) Capital Reserve of ₹ 11.47 Crores were created due to acquisition of 100% stake in Maru Transmission Service Company Limited and 100% stake in Aravali Transmission Service Company Limited in the financial year 2016-17.
- ii) The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.
- iii) During the financial year 2015-16, General reserve of ₹ 1,220.60 crores was created pursuant to the demerger of transmission undertaking of Adani Enterprises Limited into the company.
- iv) Retained earnings represents the amount of profits of the Company earned till date net of appropriation that can be distributed by the Company as dividends considering the requirements of the Companies Act, 2013. No dividends are distributed given the accumulated losses incurred by the Company.

Notes to Standalone financial statements

for the year ended 31st March 2020

22. Non Current Financial Liabilities - Borrowings

(₹ in Crores)

Particulars	Non-current		Current	
	As at 31 st March 2020	As at 31 st March 2019	As at 31 st March 2020	As at 31 st March 2019
Secured				
Bonds				
9.10% INR Bonds (Masala Bond)	-	272.88	-	97.67
4.00% USD Bonds	3,725.85	3,392.62	-	-
4.25% USD Bonds	3,625.18	-	129.90	-
Non-Convertible Debentures				
9.25% Non Convertible Debentures	-	-	-	149.98
9.35% Non Convertible Debentures	-	363.70	164.94	-
9.45% Non Convertible Debentures	-	149.17	-	-
9.85% Non Convertible Debentures	-	249.72	209.96	881.56
10.25% Non Convertible Debentures	-	748.24	-	-
Total	7,351.03	5,176.33	504.80	1,129.21
Amount disclosed under the head Current Financial Liabilities - Others (Refer note 27)	-	-	(504.80)	(1,129.21)
Net amount	7,351.03	5,176.33	-	-

Security

The above USD Bonds and NCDs (Non-Convertible Debentures) are secured by way of first ranking pari passu charge in favour of the Security trustee (for the benefit of the Bond/Debenture holders):

- mortgage of land situated at Sanand.
- hypothecation of all the assets (movable and immovable) including current assets of the Company.
- pledge over 100% shares of Adani Transmission (India) Limited (ATIL) and Maharashtra Eastern Grid Power Transmission Company Limited (MEGPTCL), both are wholly-owned subsidiaries of the Company.
- accounts and receivables of ATIL and MEGPTCL and also the operating cash flows, book debts, loans and advances, commissions, dividends, interest income, revenues present and future of ATIL and MEGPTCL.

Terms of Repayment

- 4.00% 500 Million USD Bonds aggregating ₹3,783.25 Crores (31st March 2019: ₹ 3,457.75 Crores) are redeemable by bullet payment in FY 2026.
- 4.25% 500 Million USD Bonds aggregating ₹3,783.25 Crores (31st March 2019: Nil) are redeemable by Half yearly payment starting from May 2020 to May 2036.
- INR NCDs (Non-Convertible Debentures) aggregating to ₹ 375 Crores (31st March 2019: ₹ 2546.60 Crores) are redeemable at different maturities in FY 2020.

23. Non Current Financial Liabilities - Others

(₹ in Crores)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Derivative instruments designated in hedge accounting relationship	-	137.44
Lease liability	0.16	-
Total	0.16	137.44

Notes to Standalone financial statements

for the year ended 31st March 2020

24. Provisions

(₹ in Crores)

Particulars	Non-Current		Current	
	As at 31 st March 2020	As at 31 st March 2019	As at 31 st March 2020	As at 31 st March 2019
Provision for Compensated Absences	0.21	0.17	0.04	0.13
Total	0.21	0.17	0.04	0.13

25. Current Financial Liabilities - Borrowings

(₹ in Crores)

Particulars	As at	As at
	31 st March 2020	31 st March 2019
Unsecured Borrowings		
From Related Party (Refer note 49)	-	35.79
Commercial Papers	-	812.95
Total	-	848.74

26. Trade Payables

(₹ in Crores)

Particulars	As at	As at
	31 st March 2020	31 st March 2019
Trade Payables		
- Total outstanding dues of micro enterprise and small enterprise	0.11	-
- Total outstanding dues of creditors other than micro enterprise and small enterprise	124.11	29.35
Total	124.22	29.35

The Disclosure in respect of the amounts payable to Micro and Small Enterprises have been made in the standalone Financial Statements based on the information received and available with the Company. The Company has not received any claim for interest from any supplier as at the balance sheet date. Hence, disclosure as per MSME Act is not required. These facts have been relied upon by the auditors.

(₹ in Crores)

Particulars	As at	As at
	31 st March 2020	31 st March 2019
(a) The principal amount remaining unpaid to any supplier at the end of each accounting year	0.11	-
(b) Interest due on principal amount remaining unpaid to any supplier at the end of each accounting year	0.00	-
(c) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(d) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(e) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.00	-
(f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

(Figures below ₹ 50,000 denoted as ₹ 0.00 Crs.)

Notes to Standalone financial statements

for the year ended 31st March 2020

27. Current Financial Liabilities - Others

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Current maturities of long-term borrowings (Secured) (Refer Note 22)	504.80	1,129.21
Interest accrued but not due on borrowings	114.09	220.97
Derivative instruments designated in hedge accounting relationship	-	105.02
Payable on purchase of property, plant and equipment	0.32	0.05
Lease Liability	0.17	-
Other Financial liabilities	23.37	0.16
Total	642.75	1,455.41

28. Other Current Liabilities

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Statutory Liabilities	5.27	4.97
Others	-	0.02
Total	5.27	4.99

29. Revenue from Operations

Particulars	(₹ in Crores)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Sale of Services	0.24	0.18
Sale of Traded Goods	857.55	832.65
Total	857.79	832.83

Details of Revenue from Contract with Customer

Contract balances:

- (a) The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers.

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Trade receivables (refer note 13)	96.68	9.72
Contract assets	-	-
Contract liabilities	-	-

The contract assets primarily relate to the Company's right to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the Customer. The contract liabilities primarily relate to the advance consideration received from the customers.

Notes to Standalone financial statements

for the year ended 31st March 2020

Reconciliation the amount of revenue recognised in the statement of profit and loss with the contracted price:

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Revenue as per contracted price	857.79	832.83
Adjustments		
Discounts	-	-
Revenue from contract with customers	857.79	832.83

30. Other Income

Particulars	(₹ in Crores)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Interest Income		
- Bank	7.41	9.17
- Loans & Advance	710.17	785.43
- Others	0.80	-
Gain on sale of Non current investment (Refer note 39)	54.74	-
Gain on Sale/Fair Value of Current Investments measured at FVTPL	22.61	3.87
Unclaimed liabilities/Excess provision written back	0.10	0.11
Total	795.83	798.58

31. Purchases of Stock-in-trade

Particulars	(₹ in Crores)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Purchases of Stock-in-trade	857.21	828.25
Total	857.21	828.25

32. Employee Benefits Expense

Particulars	(₹ in Crores)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Salaries, Wages and Bonus	3.05	4.20
Contribution to Provident and Other Funds*	0.09	0.14
Staff Welfare Expenses	0.13	0.11
Total	3.27	4.45

* Including contribution to Gratuity expense of ₹ -0.07 Crores (PY ₹ -0.04 Crores)

Notes to Standalone financial statements

for the year ended 31st March 2020

33. Finance costs

Particulars	(₹ in Crores)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Interest Expenses	533.79	567.56
Interest on Lease Obligation	0.03	-
Bank Charges & Other Borrowing Costs	17.98	6.49
Foreign Exchange Fluctuation Loss - Borrowings (Net)*	1.32	0.36
Interest - Hedging Cost	214.07	159.04
Total	767.19	733.45

* Note : Including Mark to Market Gain of ₹ 521.75 Crores (P.Y. ₹ 198.64 Crores) on Derivative Instruments designated in hedge accounting relationship.

34. Other Expenses

Particulars	(₹ in Crores)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Inventory written-off	-	1.32
Repairs and Maintenance – Others	0.05	0.01
Short term Lease Rent	0.00	0.24
Legal & Professional Expenses	5.89	5.48
Directors' Sitting Fees	0.22	0.18
Corporate Social Responsibility (Refer note no 42)	0.23	-
Payment to Auditors (Refer note below)	0.47	0.41
Bid & Tender Expense	0.86	1.20
Communication Expenses	0.01	0.01
Travelling & Conveyance Expenses	0.36	0.46
Write downs in Inventory value	1.68	-
Allowance for Doubtful Debts	9.63	-
Miscellaneous Expenses	0.71	1.83
Total	20.11	11.14

Payment to Auditors

(Excluding Goods and Service Tax)

Particulars	(₹ in Crores)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
As auditor:		
Statutory Audit Fees	0.44	0.25
Out of pocket expenses	0.01	0.00
Others	0.02	0.16
	0.47	0.41

Excludes sum of ₹ 0.89 crores (inclusive of GST) paid for services rendered relating to issuance of long term debt which has been considered for purposes of calculating Effective Interest Rate.

(Figures below ₹ 50,000 are denominated by ₹ 0.00 Crores)

Notes to Standalone financial statements

for the year ended 31st March 2020

35. Income Tax

Particulars	(₹ in Crores)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Income Tax Expenses		
Current Tax:		
Current Income Tax Charge (MAT)	-	11.60
	-	11.60
Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ("Ordinance") issued by Ministry of Law and Justice (Legislative Department) on 20 th September 2019 effective from 01 st April 2019, domestic companies have a non-reversible option to pay Corporate income tax rate at 22% plus applicable surcharge and cess ("New tax rate") subject to certain conditions. Based on the assessment, the Company has decided to opt for the New tax rate i.e. 25.168%		
Accounting profit before tax	5.54	54.00
Income tax using the Company's domestic tax rate @ 25.168%	1.39	-
Income tax using the Company's domestic tax rate @ 34.944%	-	18.87
Tax Effect of:		
i) Incremental depreciation/allowance allowable on assets	0.04	(0.00)
ii) Provisions disallowed	-	0.04
iii) Current year losses for which no Deferred Tax Asset is created	(1.37)	(18.57)
iv) Temporary Difference	(0.06)	(0.34)
Tax provisions:		
Current tax for the year (MAT)	-	11.60
Income tax recognised in statement of profit and loss at effective rate	Total	11.60

Unrecognised deductible temporary differences, unused tax losses and unused tax credits

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Unused tax credits	-	12.67
Unused tax losses (Revenue in nature) and Unabsorbed depreciation*	767.89	389.83

* The Company is having carried forward losses aggregating ₹ 767.55 Crores (Previous Year ₹ 389.63 Crores) under the Income Tax Act, 1961, which gets expired within 8 years of the respective year. The carried forward losses will get expired mainly during the year 2022-23 to 2027-28.

Deferred tax assets has not been recognised in respect of the unabsorbed depreciation and unabsorbed losses of the Company aggregating to ₹ 767.89 Crores (Previous year ₹ 389.83 Crores) as they may not be used fully against taxable profits of the Company in near future or other evidence of recoverability in the near future.

36. Earnings Per Share (EPS)

Particulars		(₹ in Crores)	
		For the year ended 31 st March 2020	For the year ended 31 st March 2019
Basic and Diluted EPS – From Total Operations			
Profit after tax	(₹ in Crores)	5.54	42.40
Less: Distribution on Unsecured Perpetual Equity Instrument	(₹ in Crores)	(383.29)	(305.71)
Loss attributable to equity shareholders	(₹ in Crores)	(377.75)	(263.31)
Weighted average number of equity shares outstanding during the year	No.	1,09,98,10,083	1,09,98,10,083
Nominal Value of equity share	₹	10	10
Basic and Diluted EPS	₹	(3.43)	(2.39)

Notes to Standalone financial statements

for the year ended 31st March 2020

37. Contingent liabilities and commitments:

- (i) Bank guarantee given by the company on behalf of Special Purpose Vehicle (SPV) companies, which were taken over to carry out the business awarded under tariff-based bidding, towards performance of work awarded is ₹ 352.00 Crores (Previous year ₹ 189.56 Crores) against which Bank guarantee taken by the company from vendors is ₹ 406.82 Crores (Previous year ₹ 122.62 Crores) in various form.
- (ii) The Company has funding commitments to a subsidiary, the occurrence and amounts of which are contingent on occurrence of future events.

38a. (i) The Company has signed a binding Share Purchase Agreement on 19th September 2019 with PFC Consulting Limited for acquisition of 100% equity share capital of "Bikaner-Khetri Transmission Limited". The said Company was incorporated on 22nd February 2019 by PFC Consulting Limited to establish Transmission system associated with LTA applications from Rajasthan SEZ Part-D through Tariff Based Competitive Bidding (TBCB).

(ii) During the year, the Company has acquired 100% equity share capital of SPV "WRSS XXI (A) Transco Limited" from REC Transmission Project Company Limited (REC TPCL) on 14th October 2019. The said Company was incorporated on 26th March 2019 by REC TPCL to establish "Transmission System Strengthening for relieving over loadings observed in Gujarat Intra-State System due to RE injections in Bhuj PS through Tariff Based Competitive Bidding (TBCB).

(iii) The Company has signed a binding Share Purchase Agreement on 13th November 2019, with REC Transmission Project Company Limited (REC TPCL) for acquisition of 100% Equity Share Capital of "Lakadia Banaskantha Transco Limited". The said Company was incorporated on 19th March 2019 by REC Transmission Project Company Limited to establish "Transmission system associated with Renewable Energy generation at Bhuj-II, Dwarka & Lakadia through Tariff Based Competitive Bidding (TBCB).

(iv) The Company signed Share Purchase Agreement on 13th November 2019, with REC Transmission Project Company Limited (REC TPCL) for acquisition of 100% Equity Share Capital of "Jam Khambaliya Transco Limited". The said Company was incorporated on 21st March 2019 by REC Transmission Project Company Limited to establish Jam Khambaliya Pooling Station and interconnection of Jam Khambaliya Pooling station to provide connectivity to Renewable Energy projects (150 MW) in Dwarka (Gujarat) and installation of 400/220 KV ICT along with associated bays at Costal Gujarat Power Limited Switchyard through Tariff Based Competitive Bidding (TBCB).

(v) During the year, Arasan Infra Private Limited & Sunrays Infra Space Private Limited was incorporate as a wholly owned subsidiary of the Company, w.e.f 05th November 2019, Power Distribution Services Limited (Formerly known as 'Adani Electricity Mumbai Services Limited') w.e.f 6th December 2019 and Adani Electricity Mumbai Infra Limited w.e.f 03rd January 2020 (Step down Subsidiary of the Company).

38b. The Company has received Letter of Intent (LOI) for Transmission project bid under TBCB in Maharashtra, from MSETCL for the Project "400 KV Kharghar Vikhroli Transmission Private Limited". This will be first 400 KV substation in the city of Mumbai. The Company has paid advance of ₹ 17.21 Cores towards acquisition.

39. During the year, the Company has sold 25.10 % stake of Adani Electricity Mumbai Limited (AEML) to Qatar Holding (QH), a subsidiary of Qatar Investment Authority (QIA), in accordance with terms of Shareholders Agreement entered into between AEML, ATL and QH.

The Company has also sold 25.10 % stake of Power Distribution Services Limited (PDSL) (Formerly known as 'Adani Electricity Mumbai Services Limited') to Qatar Holding (QH), a subsidiary of Qatar Investment Authority (QIA), in accordance with terms of Shareholders Agreement entered into between PDSL, ATL and QH.

The Company has received total consideration amounting to ₹ 1,209.62 Crores for the same.

40. During the year, the Company has completed issuance of USD 500 million 4.25% Foreign Currency Bonds maturing in 2036. Servicing of the bonds have been supported by an obligor group that includes ATL and its two wholly-owned subsidiaries, MEGPTCL and ATIL. The Company has used the bond's proceeds for the purpose for which they were raised i.e. to refinance its existing INR debt and Masala bonds. Though idle/surplus funds which were not required for immediate utilization have been gainfully invested in fixed deposits. The said borrowings have been hedged using various hedging instruments.

Notes to Standalone financial statements

for the year ended 31st March 2020

41. Leases

Disclosure under Ind AS 116 Leases:

Particulars	(₹ in Crores)
	Amount
Balance as at 1st April 2019	-
Lease Liabilities on account of adoption of Ind AS 116	0.48
Finance Costs incurred during the year	0.03
Net Payments of Lease Liabilities	(0.18)
Balance as at 31st March 2020 (Refer notes 23 and 27)	0.33

Disclosure under Ind AS 17 for the year ended 31st March 2019:

The Company's significant leasing arrangements, other than land, are in respect of office premises taken on lease for which expense amounting to ₹ Nil (PY - ₹ 0.24 Crs.) charged to profit and loss. The arrangements range between 11 months and 2 years generally and are usually renewable by mutual consent on mutually agreeable terms. Under these arrangements, generally refundable interest free deposits have been given. The Company has not entered into any material financial lease. The Company does not have any non-cancellable lease.

42. Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company. The funds are utilised on the activities which are specified in Schedule VII of the Companies Act, 2013. The utilisation is done by way of contribution towards various activities.

- (a) Gross amount as per the limits of Section 135 of the Companies Act, 2013: ₹ 0.23 Crores. (Previous year: Nil)
- (b) Amount spent during the year ended 31st March 2020: ₹ 0.23 Crores. (Previous year: Nil)

Sr. No. Particulars	(₹ in Crores)		
	Amount Contributed	Amount yet to Contribute	Total
(i) Construction/acquisition of any assets	-	-	-
(ii) On purpose other than (i) above	0.23	-	0.23
Total	0.23	-	0.23

43. Segment Reporting

The Company's operations fall under single segment namely "Trading business" hence no separate disclosure of segment reporting is required to be made as required under Ind AS 108 'Operating Segments'.

44. As per Ind AS 19 "Employee Benefits", the disclosures are given below.

(a) (i) Defined Benefit Plan

The Company operates a defined benefit plan (the Gratuity plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

Notes to Standalone financial statements

for the year ended 31st March 2020

44. As per Ind AS 19 "Employee Benefits", the disclosures are given below. (Contd..)

The status of gratuity plan as required under Ind AS-19:

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
i). Reconciliation of Opening and Closing Balances of defined benefit obligation		
Present Value of Defined Benefit Obligations at the beginning of the Year	0.36	0.37
Current Service Cost	0.05	0.06
Interest Cost	0.03	0.03
Re-measurement (or Actuarial) (gain)/loss arising from:		
- Change in demographic assumptions	0.00	0.00
- Change in financials assumptions	0.01	0.00
- Experience variance (i.e. Actual experience vs assumptions)	(0.26)	0.13
Liabilities Transfer In/Out	0.04	(0.09)
Benefits paid	-	(0.14)
Present Value of Defined Benefit Obligations at the end of the Year	0.24	0.36
ii). Reconciliation of Opening and Closing Balances of the Fair value of Plan assets		
Fair Value of Plan assets at the beginning of the Year	1.92	1.67
Investment Income	0.15	0.13
Contributions	0.15	0.30
Benefits paid	-	(0.14)
Return on plan assets, excluding amount recognised in net interest expenses	-	(0.04)
Fair Value of Plan assets at the end of the Year	2.22	1.92
iii). Reconciliation of the Present value of defined benefit obligation and Fair value of plan assets		
Present Value of Defined Benefit Obligations at the end of the Year	0.24	(0.36)
Fair Value of Plan assets at the end of the Year	2.22	1.92
Net Asset/(Liability) recognized in balance sheet as at the end of the year	1.98	1.56
iv). Composition of Plan Assets		
100% of Plan Assets are administered by LIC		
v). Gratuity Cost for the Year		
Current service cost	0.05	0.06
Interest cost	0.03	0.03
Expected return on plan assets	(0.15)	(0.13)
Actuarial Gain/(Loss)	-	-
Net Gratuity cost recognised in the statement of Profit and Loss	(0.07)	(0.04)
vi). Other Comprehensive Income		
Actuarial (gains)/losses		
- Change in demographic assumptions	0.00	0.00
- Change in financial assumptions	0.01	0.00
- Experience variance (i.e. Actual experiences assumptions)	(0.26)	0.13
Return on plan assets, excluding amount recognised in net interest expense	-	0.04
Components of defined benefit costs recognised in other comprehensive income	(0.24)	0.17
vii). Actuarial Assumptions		
Discount Rate (per annum)	6.70%	7.60%
Annual Increase in Salary Cost	8.00%	8.00%
Attrition Rate	5.00%	7.00%
Mortality Rates as given under Indian Assured Lives Mortality (2006-08) Ultimate Retirement Age 58 Years	100.00%	100.00%

viii). The Company has defined benefit plans for Gratuity to eligible employees, the contributions for which are made to Life Insurance Corporation of India who invests the funds as per Insurance Regulatory Development Authority guidelines.

Notes to Standalone financial statements

for the year ended 31st March 2020

44. As per Ind AS 19 "Employee Benefits", the disclosures are given below. (Contd..)

ix). Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase, attrition rate and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Defined Benefit Obligation (Base)	0.24	0.36

Particulars	(₹ in Crores)			
	As at 31 st March 2020		As at 31 st March 2019	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+ 1%) (% change compared to base due to sensitivity)	0.25 7.70%	0.22 -6.80%	0.37 3.60%	0.35 -3.30%
Salary Growth Rate (-/+ 1%) (% change compared to base due to sensitivity)	0.22 -6.80%	0.25 7.50%	0.35 -3.30%	0.37 3.60%
Attrition Rate (-/+ 50%) (% change compared to base due to sensitivity)	0.24 1.30%	0.23 -1.10%	0.36 1.40%	0.35 -1.30%
Mortality Rate (-/+ 10%) (% change compared to base due to sensitivity)	0.23 0.00%	0.23 0.00%	0.36 0.00%	0.36 0.00%

x). Asset Liability Matching Strategies

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficient funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

xi). Effect of Plan on Entity's Future Cash Flows

a) Funding arrangements and Funding Policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees of the group. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) Expected Contribution during the next annual reporting period

The Company's best estimate of Contribution during the next year is Nil.

c) Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cash flows) – 3 years.

Expected cash flows over the next (valued on undiscounted basis):

	(₹ in Crores)
1 year	0.01
2 to 5 years	0.05
6 to 10 years	0.23
More than 10 years	0.12

xii). The Company has defined benefit plans for Gratuity to eligible employees of the group, the contributions for which are made to Life Insurance Corporation of India who invests the funds as per Insurance Regulatory Development Authority guidelines.

Notes to Standalone financial statements

for the year ended 31st March 2020

44. As per Ind AS 19 "Employee Benefits", the disclosures are given below. (Contd..)

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2019-20.

The actuarial liability for compensated absences (including Sick Leave) as at the year ended 31st March 2020 is ₹ 0.26 Crores (31st March 2019 is ₹ 0.30 Crores).

(b) Defined Contribution Plan

- (i) Provident fund
- (ii) Superannuation fund
 - Employer's contribution to Employees' State Insurance

The Company has recognised the following amounts as expense in the financial statements for the year:

Particulars	₹ in Crores)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Employer's Contribution to Provident Fund	0.16	0.19
Employer's Contribution to Superannuation Fund	-	0.01

45. The details of loans and advances in the nature of loans of the Company outstanding at the end of the year, in terms of regulation 53 (F) & 34(3) read together with para A of Schedule V of SEBI (Listing Obligation and Disclosure Regulation, 2015) and as per Section 186(4) of the Companies Act, 2013.

Name of the Company (Subsidiaries)	Outstanding amount		Maximum amount outstanding during the year	
	As at 31 st March 2020	As at 31 st March 2019	2019-20	2018-19
	₹ in Crores)			
Maharashtra Eastern Grid Power Transmission Company Limited	2,040.45	2,438.34	2,477.21	2,538.78
Adani Transmission (India) Limited	1,409.70	1,980.22	2,096.67	2,154.96
Sipat Transmission Limited	7.17	5.33	48.30	5.33
Raipur-Rajnandgaon-Warora Transmission Limited	20.27	38.47	97.59	94.91
Chhattisgarh-WR Transmission Limited	59.53	17.93	94.76	23.93
Adani Transmission (Rajasthan) Limited	14.08	25.58	25.58	37.12
North Karanpura Transco Limited	77.30	9.49	77.30	24.77
Maru Transmission Services Company Limited	23.91	29.91	29.91	32.91
Aravali Transmission Service Company Limited	36.61	42.62	42.62	50.48
Hadoti Power Transmission Service Limited	-	12.03	29.72	12.03
Barmer Power Transmission Service Limited	-	14.96	22.83	14.96
Thar Power Transmission Service Limited	-	16.84	23.76	16.84
Western Transco Power Limited	57.21	64.62	64.62	76.24
Western Transmission (Gujarat) Limited	15.12	19.28	19.28	177.63
Fatehgarh- Bhadla Transmission Limited.	161.02	33.14	161.02	35.70
Ghatampur Transmission Limited.	-	96.27	153.79	96.27
Adani Electricity Mumbai Limited.	-	460.25	717.48	710.25
Adani Transmission Bikaner Sikar Private Limited (Formerly known as 'KEC - Bikaner - Sikar Transmission Private Limited')	-	8.76	8.76	8.76
OBRA-C Badaun Transmission Limited.	66.05	6.83	73.55	6.83
WRSS XXI (A) Transco Limited	141.52	-	433.37	-

Notes to Standalone financial statements

for the year ended 31st March 2020

45. (Contd.)

(₹ in Crores)

Name of the Company (Subsidiaries)	Outstanding amount		Maximum amount outstanding during the year	
	As at 31 st March 2020	As at 31 st March 2019	2019-20	2018-19
Bikaner Khetri Transmission Limited	112.02	-	354.21	-
Lakdia Banaskatha Transco Limited	38.70	-	363.27	-
Jam Khambaliya Transco Limited	60.83	-	510.17	-
Arasan Infra Private Limited	90.49	-	500.61	-
Sunrays infra Space Private Limited	502.95	-	502.95	-
AEML Infrastructure Limited	16.97	-	102.12	-
Adani Electricity Mumbai Infra Limited	1.00	-	1.00	-
	4,952.90	5,320.87		

The details of Optionally Convertible Redeemable Preference Shares and Optionally Convertible Debentures are mentioned in Note 6

46. Financial Instruments and Risk Overview

(a) Capital Management

The Company's objectives when managing capital is to safeguard continuity and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation, borrowings. The Company's policy is to use borrowings to meet anticipated funding requirements.

(₹ in Crores)

Particulars	Refer Note	31 st March 2020	31 st March 2019
Total Borrowings (Including Current Maturities)	22 & 25	7,855.83	7,154.28
Less: Cash and bank balances	14 & 15	1,176.01	188.28
Less: Current Investments	12	-	90.10
Net Debt (A)		6,679.82	6,875.90
Equity Share Capital & Other Equity	19 & 21	1,531.02	1,750.33
Unsecured Perpetual Equity Instrument	20	3,279.42	3,408.03
Total Equity (B)		4,810.44	5,158.36
Total Equity and Net Debt (C=A+B)		11,490.26	12,034.26
Gearing Ratio: (A)/(C)		0.58	0.57

No changes were made in the objectives, policies or processes for managing capital during the years ended as at 31st March 2020 and as at 31st March 2019.

(b) Financial Risk Management Objectives

The Company's principal financial liabilities comprise borrowings, trade and other payables, The main purpose of these financial liabilities is to finance the Company's operations/projects. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

In the ordinary course of business, the Company is mainly exposed to risks resulting from exchange rate fluctuation (currency risk), interest rate movements (interest rate risk) collectively referred as Market Risk, Credit Risk, Liquidity Risk and other price risks such as equity price risk. The Company's senior management oversees the management of these risks. It manages its exposure to these risks through derivative financial instruments by hedging transactions. It uses derivative instruments such as Principal only Swaps, Interest rate swaps, foreign currency future options

Notes to Standalone financial statements

for the year ended 31st March 2020

46. Financial Instruments and Risk Overview (Contd..)

and foreign currency forward contract to manage these risks. These derivative instruments reduce the impact of both favourable and unfavourable fluctuations.

The Company's risk management activities are subject to the management, direction and control of Central Treasury Team of the Group under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board of Directors of the Company. The Group's central treasury team ensures appropriate financial risk governance framework for the Company through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

The decision of whether and when to execute derivative financial instruments along with its tenure can vary from period to period depending on market conditions and the relative costs of the instruments. The tenure is linked to the timing of the underlying exposure, with the connection between the two being regularly monitored. The Company is exposed to losses in the event of non-performance by the counterparties to the derivative contracts. All derivative contracts are executed with counterparties that, in our judgement, are creditworthy. The outstanding derivatives are reviewed periodically to ensure that there is no inappropriate concentration of outstanding to any particular counterparty.

In the ordinary course of business, the Company is exposed to Market risk, Credit risk, and Liquidity risk.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk.

1. Interest rate risk

The Company is exposed to changes in market interest rates due to financing, investing and cash management activities. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates and period of borrowings. However, during the year and as at period end the Company does not have any borrowings with floating interest rates. Hence, the Company is not exposed to any interest rate risk.

2. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company manages its foreign currency risk by hedging transactions that are expected to realise in future. Accordingly, as at period end the Company does not have any unhedged outstanding foreign exposure and hence the Company is not exposed to any foreign currency risk as at period end.

The Company has taken various derivatives to hedge its bonds and interest thereon. The outstanding position of derivative instruments are as under:

Nature	Purpose	As at 31 st March 2020		As at 31 st March 2019	
		Foreign Currency (USD in Million)	(₹ in Crores)	Foreign Currency (USD in Million)	(₹ in Crores)
i) Principal only swaps	Hedging of foreign currency bond principal liability	570.00	4,312.91	320.00	2,212.96
ii) Forward covers	Hedging of foreign currency bond principal & Interest liability	481.20	3,640.98	210.00	1,452.26

Notes to Standalone financial statements

for the year ended 31st March 2020

46. Financial Instruments and Risk Overview (Contd..)

The details of foreign currency exposures not hedged by derivative instruments are as under:

Nature	As at 31 st March 2020		As at 31 st March 2019	
	USD in Millions	₹ in Crores	USD in Millions	₹ in Crores
Creditors	3.13	23.66	0.01	0.05

Foreign Currency Risk Sensitivity

A change of 1% in Foreign currency would have following impact on profit before tax

Nature	For the Year 2019-20		For the Year 2018-19	
	1% Increase	1% Decrease	1% Increase	1% Decrease
(₹ in Crores)				
Risk Sensitivity				
Rupee/USD – (Increase)/Decrease	(0.24)	0.24	(0.00)	0.00

(Transactions below ₹ 50,000.00 denoted as ₹0.00 Crores)

Derivative Financial Instrument

The Company uses derivatives instruments as part of its management of risks relating to exposure to fluctuation in foreign currency exchange rates and interest rates. The Company does not acquire derivative financial instruments for trading or speculative purposes neither does it enter into complex derivative transactions to manage the above risks. The derivative transactions are normally in the form of forward currency contracts, cross currency swaps, options and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively and are subject to the Company's guidelines and policies.

The fair values of all derivatives are separately recorded in the balance sheet within current and non current assets and liabilities. Derivative that are designated as hedges are classified as current or non current depending on the maturity of the derivative.

The use of derivative can give rise to credit and market risk. The Company tries to control credit risk as far as possible by only entering into contracts with stipulated / reputed banks and financial institutions. The use of derivative instrument is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivative is mitigated by changes in the valuation of underlying assets, liabilities or transactions, as derivatives are used only for risk management purpose.

The Company enters into derivative financial instruments, such as forward currency contracts, cross currency swaps, options, interest rate futures and interest rate swaps for hedging the liabilities incurred/recorded and accounts for them as cash flow hedges and states them at fair value. The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss. Amounts recognised in OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. These hedges have been effective for the year ended March 31, 2020.

46. Financial Instruments and Risk Overview (Contd..)

The fair value of the Group's derivative positions recorded under derivative financial assets and derivative financial liabilities are as follows:

Derivative Financials Instruments	(₹ in Crores)			
	As at 31 st March 2020		As at 31 st March 2019	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedge				
- Forward	142.56	-	-	105.02
- Principal Only Swaps	289.21	-	-	137.44
Total	431.77	-	-	242.46

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a loss to the Company. The Company has adopted the policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial losses from default, and generally does not obtain any collateral or other security on trade receivables.

The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

Liquidity risk

The Company monitors its risk of shortage of funds using cash flow forecasting models. These models consider the maturity of its financial investments, committed funding and projected cash flows from operations. The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner and to manage its capital structure. A balance between continuity of funding and flexibility is maintained through the use of various types of borrowings.

The table below analysis derivative and non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at 31 st March 2020	(₹ in Crores)			
	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings (Including Current Maturities)	504.80	899.09	6,451.94	7,855.83
Trade Payables	124.22	-	-	124.22
Other Financial Liabilities	137.95	0.16	-	138.11

As at 31 st March 2019	(₹ in Crores)			
	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings (Including Current Maturities)	1,977.95	1,783.71	3,392.62	7,154.28
Trade Payables	29.35	-	-	29.35
Derivative Liabilities	105.02	-	137.44	242.46
Other Financial Liabilities	221.18	-	-	221.18

Notes to Standalone financial statements

for the year ended 31st March 2020

47. Fair Value Measurement

The carrying value of financial instruments by categories as on 31st March 2020:

(₹ in Crores)

Particulars	Fair Value through Other Comprehensive Income	Fair Value through Profit or Loss	Amortised Cost	Total Carrying Value in Books	Fair Value
Financial Assets					
Investments in Subsidiaries (Optionally Convertible Debentures and Optionally Convertible Redeemable Preference Shares)	-	218.98	-	218.98	218.98
Trade Receivables	-	-	96.68	96.68	96.68
Cash and Cash Equivalents	-	-	800.78	800.78	800.78
Other Balances with Bank	-	-	375.23	375.23	375.23
Loans	-	-	4,958.84	4,958.84	4,958.84
Derivatives instruments	(18.13)	449.90	-	431.77	431.77
Other Financial Assets	-	-	254.74	254.74	254.74
Total	(18.13)	668.88	6,486.27	7,137.02	7,137.02
Financial Liabilities					
Borrowings (Including Interest Accrued & Current Maturities)	-	-	7,969.93	7,969.93	7,321.84
Trade Payables	-	-	124.22	124.22	124.22
Other Financial Liabilities	-	-	24.01	24.01	24.01
Total	-	-	8,118.16	8,118.16	7,470.07

The carrying value of financial instruments by categories as on 31st March 2019:

(₹ in Crores)

Particulars	Fair Value through Other Comprehensive Income	Fair Value through Profit or Loss	Amortised Cost	Total Carrying Value in Books	Fair Value
Financial Assets					
Investments in Subsidiaries (Optionally Convertible Debentures and Optionally Convertible Redeemable Preference Shares)	-	35.16	-	35.16	35.16
Investments in Mutual Funds	-	90.10	-	90.10	90.10
Trade Receivables	-	-	9.72	9.72	9.72
Cash and Cash Equivalents	-	-	31.22	31.22	31.22
Other Balances with Bank	-	-	157.06	157.06	157.06
Loans	-	-	5,326.10	5,326.10	5,326.10
Other Financial Assets	-	-	298.08	298.08	298.08
Total	-	125.26	5,822.18	5,947.44	5,947.44
Financial Liabilities					
Borrowings (Including Interest Accrued & Current Maturities)	-	-	7,375.25	7,375.25	7,195.82
Trade Payables	-	-	29.35	29.35	29.35
Derivatives instruments	176.33	66.13	-	242.46	242.46
Other Financial Liabilities	-	-	0.21	0.21	0.21
Total	176.33	66.13	7,404.81	7,647.27	7,467.84

Above excludes carrying value of equity nature Investments in subsidiaries accounted at cost in accordance with Ind AS 27.

Notes to Standalone financial statements

for the year ended 31st March 2020

The management assessed that the fair value of cash and cash equivalents, other balance with banks, trade receivables, loans, trade payables, other financial assets and liability approximate their carrying amount largely due to the short term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values.

Fair value of mutual funds are based on the price quotations near the reporting date.

The fair value of loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flow using rates currently available for debt on similar terms, credit risk and remaining maturities.

The Company enters into derivative financial instruments with various counterparties, principally banks and financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying currency. All derivative contracts are fully collateralized, thereby, eliminating both counterparty and the company's own non-performance risk.

48. Fair Value hierarchy

Particulars	(₹ in Crores)			
	As at 31 st March 2020		As at 31 st March 2019	
	Level 1	Level 2	Level 1	Level 2
Assets measured at fair value				
Investments in unquoted Mutual Funds measured at FVTPL	-	-	-	90.10
Investments in Subsidiaries	-	218.98	-	35.16
Assets measured at amortised cost				
Loans	-	4,958.84	-	5,326.10
Derivative Instruments designated in hedge accounting relationship				
Derivative Instruments	-	431.77	-	-
Total	-	5,609.59	-	5,451.36
Liabilities for which fair values are disclosed				
Borrowings (Including Interest Accrued & Current Maturities)	6,916.16	405.68	3,235.85	3,959.97
Derivative Instruments designated in hedge accounting relationship				
Derivative Instruments	-	-	-	242.46
Total	6,916.16	405.68	3,235.85	4,202.43

Notes to Standalone financial statements

for the year ended 31st March 2020

49. Related party disclosures:

As per Ind AS 24, Disclosure of transaction with related parties are given below:

> Ultimate Holding Entity	S. B. Adani Family Trust (SBAFT)
> Subsidiary Company	Adani Transmission (India) Limited
	Maharashtra Eastern Grid Power Transmission Company Limited
	Sipat Transmission Limited
	Raipur – Rajnandgaon – Warora Transmission Limited
	Chhattisgarh – WR Transmission Limited
	Adani Transmission (Rajasthan) Limited
	North Karanpura Transco Limited
	Maru Transmission Service Company Limited
	Aravali Transmission Service Company Limited
	Hadoti Power Transmission Service Limited.
	Barmer Power Transmission Service Limited.
	Thar Power Transmission Service Limited.
	Western Transco Power Limited.
	Western Transmission (Gujarat) Limited.
	Fatehgarh-Bhadla Transmission Limited.
	Ghatampur Transmission Limited
	Adani Electricity Mumbai Limited
	AEML Infrastructure Limited
	OBRA-C Badaun Transmission Limited
	Adani Transmission Bikaner Sikar Private Limited (Formerly known as 'KEC - Bikaner - Sikar Transmission Private Limited')*
	Bikaner Khetri Transco Limited (w.e.f. 19 th September 2019)
	WRSS XXI(A) Transco Limited (w.e.f. 14 th October 2019)
	Arasan Infra Private Limited (w.e.f. 5 th November 2019)
	Sunrays Infra Space Private Limited (w.e.f. 5 th November 2019)
	Lakadia Banaskantha Transco Limited (w.e.f. 13 th November 2019)
	Jam Khambaliya Transco Limited (w.e.f. 13 th November 2019)
	Power Distribution Service Limited (Formerly known as 'Adani Electricity Mumbai Services Limited') (w.e.f. 6 th December 2019)
	Adani Electricity Mumbai Infra Limited (w.e.f. 3 rd January 2020)
> Key Managerial Personnel (KMP)	Mr. Gautam S. Adani, Chairman
	Mr. Rajesh S. Adani, Director
	Mr. Anil Sardana, Managing Director and Chief Executive Officer (w.e.f. 10 th May 2018)
	Mr. Kaushal Shah, Chief Financial Officer
	Mr. Jaladhi Shukla, Company Secretary
	Mr. Laxmi Narayana Mishra, Whole-time Director (Resigned w.e.f. 2 nd May 2018)
	Mr. K. Jairaj – Non-Executive Director
	Dr. Ravindra H. Dholakia – Non-Executive Director
	Ms. Meera Shankar – Non-Executive Director

Notes to Standalone financial statements

for the year ended 31st March 2020

49. Related party disclosures: (Contd..)

> Entities under Common Control with whom there are transactions during the year	Adani Infra (India) Limited
	Adani Agri Fresh Limited
	Adani Power (Mundra) Limited
	Adani Foundation
	Belvedere Golf and Country Club Private Limited
	Adani Enterprises Limited
	Adani Estate Private Limited
	Adani Infrastructure Management Service Limited
	Adani Institute of Infrastructure Management
	Adani Township & Real Estate Company Private Limited
	Adani Wilmar Limited

Note:

The names of the related parties and nature of the relationships where control exists are disclosed irrespective of whether or not there have been transactions between the related parties. For others, the names and the nature of relationships is disclosed only when the transactions are entered into by the Company with the related parties during the existence of the related party relationship.

* The shares of Adani Transmission Bikaner Sikar Private Limited (Formerly known as 'KEC - Bikaner - Sikar Transmission Private Limited') have actually got transferred to Adani Transmission Limited w.e.f. 8th February, 2019 although the control is taken over by Adani Transmission Limited on 1st January, 2019.

(A) Transactions with Related Parties

Particulars	(₹ in Crores)					
	With Subsidiaries		With Other Parties		With Key Managerial Personnel	
	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019
Sale of Goods	0.02	-	75.67	-	-	-
Purchase of Goods	-	-	-	827.15	-	-
Interest Income (Refer Note: 1)	684.51	662.14	1.23	-	-	-
Interest expenses	-	0.86	12.24	14.11	-	-
Interest on Fair Value of CCPS	0.71	0.61	-	-	-	-
Rent Paid	0.17	-	0.00	-	-	-
Staff Welfare Expense	-	-	0.04	-	-	-
Distribution on Perpetual Equity Instrument (Refer Note: 2)	-	-	383.29	305.71	-	-
Reimbursement of the Expenses	-	-	0.07	22.25	-	-
Recovery of Expenses	4.57	43.69	-	-	-	-
Loan Given (Refer Note: 3)	6,969.06	4,216.39	123.57	-	-	-
Loan received back (Refer Note: 3)	6,916.78	3,569.46	123.57	-	-	-
Conversion of Loan into Purchase/ Subscription of Investment	460.25	-	-	-	-	-
Unsecured Perpetual Equity Instrument issued (Refer Note: 4)	-	-	1,081.01	1,559.40	-	-
Unsecured Perpetual Equity Instrument repaid (Refer Note: 4)	-	-	1,209.62	-	-	-
Loan taken	-	-	745.00	444.10	-	-
Loan repaid	-	-	780.79	727.55	-	-

Notes to Standalone financial statements

for the year ended 31st March 2020

(A) Transactions with Related Parties (Contd..)

(₹ in Crores)

Particulars	With Subsidiaries		With Other Parties		With Key Managerial Personnel	
	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019
Purchase/Subscription of Investment (including Preference Share)	151.38	22.50	-	-	-	-
Investment Decrease in Optionally Convertible Redeemable Debentures	608.06	-	-	-	-	-
Investment in Perpetual Equity Instrument (Refer Note: 5)	-	257.23	-	-	-	-
Conversion of Investment in Perpetual Equity Instrument into Purchase/Subscription of Investment	280.95	-	-	-	-	-
Investment in Optionally Convertible Debentures	212.70	-	-	-	-	-
Compensation of Key Management Personnel						
a) Short-term benefits	-	-	-	-	-	0.67
b) Post-employment benefits	-	-	-	-	-	0.07
Directors Sitting Fees	-	-	-	-	0.22	0.18
Corporate Socials Responsibility Expenses	-	-	0.23	-	-	-
Redemption of Optionally Convertible Redeemable Preference Shares	-	1,090.63	-	-	-	-
Bank Guarantee Given (Refer Note: 6)	352.00	189.56	-	-	-	-
Buy Back of Non-Convertible Debenture (NCD)	-	118.40	-	-	-	-

The Company has pledged Shares of its Subsidiary Companies against the borrowing. (Refer note 6)

All above transactions are in normal course of business and are made on terms equivalent to those that prevail arm's length transactions.

Notes:

- Interest on Loan given to Subsidiary Companies and Entity under common control.
- Accrued on Perpetual Equity infused by Entity under common control.
- Financial support to Subsidiary Companies primarily for Green field Growth.
- Long-term equity support by way of Perpetual instruments from entities under common control.
- Long-term Financial support by way of Perpetual Equity Instruments to Subsidiary Companies.
- Bank guarantee given by company on behalf of Subsidiary Companies which were taken over to carry out the business awarded under tariff based competitive bidding towards performance of work awarded.

(B) Balances with Related Parties

(₹ in Crores)

Particulars	With Subsidiaries		With Other Parties		With Key Managerial Personnel	
	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019
Loans Payable	-	-	-	35.79	-	-
Loans Receivable	4,952.90	5,320.87	-	-	-	-
Interest Accrued but Not Due	-	-	-	2.41	-	-
Interest Receivable	234.07	296.36	-	-	-	-
Account Payable	23.10	0.05	0.07	24.03	-	-
Accounts Receivable	3.30	0.01	0.05	0.30	-	-
Compulsorily Convertible Debentures	31.57	639.63	-	-	-	-
Bank Guarantee	352.00	232.26	-	-	-	-
Unsecured Perpetual Equity Instrument	-	-	3,279.42	3,408.03	-	-

50. Other Disclosures

- (i) Due to outbreak of COVID-19 globally and in India, management has made initial assessment of impact on business and financial risks on account of COVID-19. Considering that the Company's investments are in subsidiaries, which are engaged in the business of Generation, Transmission and Distribution of Power, which is considered to be an Essential Service, the management believes that the impact of this outbreak on the business and financial position of the Company will not be significant. The management does not see any risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.
- (ii) The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 9th May 2020, there are no subsequent events to be recognized or reported that are not already disclosed.
- (ii) The Financial Statements for the year ended 31st March 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 9th May 2020.

As per our attached report of even date
For Deloitte Haskins & Sells LLP
 Chartered Accountants
 Firm Registration Number: 117366W/W-100018

MOHAMMED BENGALI
 Partner
 Membership No. 105828

Place: Mumbai
 Date: 9th May 2020

For and on behalf of the Board of Directors
ADANI TRANSMISSION LIMITED

GAUTAM S. ADANI
 Chairman
 DIN: 00006273

KAUSHAL SHAH
 Chief Financial Officer

Place: Ahmedabad
 Date: 9th May 2020

ANIL SARDANA
 Managing Director and
 Chief Executive Officer
 DIN: 00006867

JALADHI SHUKLA
 Company Secretary

Independent Auditor's Report

To The Members of Adani Transmission Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Adani Transmission Limited** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the sub-paragraph (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>Hedge accounting and the related disclosures for currency derivatives:</p> <p>(Refer to Note 49 to the Consolidated Financial Statements)</p> <p>We identified the hedge accounting for currency derivatives and the adequacy of the related disclosures as a key audit matter because the evaluation of hedge effectiveness involved management's judgement and estimation.</p> <p>Besides, the changes in fair values of these currency derivatives also had a significant impact on the consolidated financial statements.</p> <p>As disclosed in note 49 to the consolidated financial statements, the Group was exposed to currency risk primarily arising from Foreign currency denominated borrowings. As further disclosed in note 49 to the consolidated financial statements, the Company utilised currency derivatives to hedge these Borrowings during the year ended 31st March 2020.</p>	<p>Principal audit procedures performed:</p> <p>Obtaining an understanding of and assessing the design and implementation of the management's controls over the valuation of currency derivatives and hedge accounting.</p> <p>Inspecting the hedge documentations and contracts and evaluating the management's assessment of hedge effectiveness, on a sample basis, to evaluate the accounting for these currency derivatives in accordance with the requirements of Ind AS 109- Financial Instruments.</p> <p>Obtaining confirmations directly from contract counterparties to verify the existence of each currency derivative held at 31st March 2020.</p> <p>Reperforming mark-to-market valuations on a sample basis with the involvement of our financial instruments valuation specialists, to evaluate whether the fair values of the currency derivatives had been reasonably calculated by the management; and</p>

Sr. No.	Key Audit Matter	Auditor's Response
	<p>These currency derivatives which were designated and effective as net Cash flow hedges, gave rise to assets of ₹ 1,297.54 crores and liabilities of ₹ 106.54 crores as at 31st March 2020 and the fair value changes of these currency derivatives have been deferred in equity at 31st March 2020.</p>	<p>Assessing the adequacy of the disclosures in respect of the currency derivatives and hedge accounting in accordance with the disclosure requirements of Ind AS 107-Financial Instruments: Disclosures, Ind AS 113- Fair Value Measurement.</p>
2	<p>Impairment of Intangible assets with indefinite life: (Refer to Note 58 to the Consolidated Financial Statements)</p> <p>We identified the impairment testing of Intangible Asset with indefinite life as a key audit matter considering the significance of the carrying value, long term estimation and the significant judgements involved in the impairment assessment.</p> <p>As per the requirements of Ind AS 36, the Group tests for impairment annually Intangible assets being Transmission License with indefinite life acquired in Business Combination with a carrying value of ₹ 981.62 crores as at 31st March 2020.</p> <p>The determination of recoverable amount, being the higher of value-in-use and fair value less costs to dispose, involves significant estimates, assumption and judgements of the long term financial projections on part of the management.</p>	<p>Principal audit procedures performed:</p> <p>Obtaining an understanding of and assessing the design and implementation of the management's controls over the impairment testing process.</p> <p>We obtained management's impairment model and tested the reasonableness of key assumptions, including revenue, future capital expenditure, terminal values and the selection of discount rates. We agreed the underlying cash flow projections and forecasts and assessed how these projections are compiled.</p> <p>We also involved internal valuation experts to examine/assess the valuation model and the calculation inputs used.</p>
3	<p>Assessment of control on account of a stake sale in a subsidiary: (Refer to Note 3.9 to the Consolidated Financial Statements)</p> <p>During the year, the Company has divested 25.10% of its share in Adani Electricity Mumbai Limited (Refer Note 3.9 to the Consolidated Financial Statement).</p> <p>Management has applied judgement in assessing the various factors as required by Ind AS 110 – Consolidated Financial Statements in relation to existence of control post the stake sale in its subsidiary.</p> <p>The assessment in respect of existence of control post stake sale in the subsidiary, is considered as a key audit matter, as management's assessment of control involves significant judgements.</p>	<p>Principal audit procedures performed:</p> <p>Reviewed the terms of Share Purchase Agreement (SPA).</p> <p>Review of the management's assessment of control against criteria identified in Ind AS-110.</p> <p>We have reviewed the adequacy of the disclosures required in terms of the standard in relation to the basis on which they believe that they have control.</p>
4	<p>Accrual of Regulatory Deferrals: (Refer to Note 57 to the Consolidated Financial Statements)</p> <p>We identified the accrual of regulatory deferrals as a key audit matter considering the significance of the amount of regulatory deferrals and the significant judgements involved in the determination of accruals.</p>	<p>Principal audit procedures performed:</p> <p>Obtaining an understanding of and assessing the design and implementation of the management's controls over accrual of regulatory deferrals.</p> <p>We evaluated the key assumptions used by the Company in accrual of regulatory deferrals by comparing it with tariff regulations, prior years, past precedents and the opinion of management's expert.</p>

Sr. No.	Key Audit Matter	Auditor's Response
	<p>In the respect of Mumbai Distribution business, of the Group, the tariff is determined by Maharashtra Electricity Regulatory Commission (MERC) on cost plus return on equity basis wherein the cost is subject to certain laid down benchmarks/ norms. The Group invoices its customers on the basis of pre-approved tariff which is based on provisional tariff orders and is subject to final true up exercise to be adjusted in the future tariff.</p> <p>The Group recognizes revenue on the basis of tariff invoiced to consumers. As the Group is entitled to a fixed return on equity, the Group recognizes regulatory deferral for the shortage / excess compared to the entitled return on equity. The Group has recognized net regulatory deferrals –Liability of ₹ 256.60 crores (net) as at 31st March 2020 (including ₹ 232.77 crores for the year).</p> <p>Regulatory deferrals are determined based on tariff regulations, tariff orders, judicial pronouncements etc. and are subject to verification and approval by the regulators. Further the costs incurred are subject to laid down norms/benchmarks. Significant judgements are made in determining the regulatory deferrals including interpretation of tariff regulations.</p>	<p>For tariff orders received by the Company, we have assessed the impact recognized by the Company and for matters challenged by the Company, we have also assessed the management's evaluation of the likely outcome of the dispute based on past precedents and / or advice of management's expert.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by other auditors.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to

fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's

report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial statements of 23 subsidiaries, whose financial statements reflect total assets of ₹ 8,296.36 crores as at 31st March 2020, total revenues of ₹ 917.46 crores and net cash inflows amounting to ₹ 248.03 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.
- (b) We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of ₹ 241.00 crores as at 31st March 2020, total revenues of Rs. 7.11 crores and net cash inflows amounting to ₹ 0.61 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

- As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- On the basis of the written representations received from the directors of the Parent as on 31st March 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, there is no remuneration paid by the Parent to its directors during the year.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
 - ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Mohammed Bengali
Partner
(Membership No. 105828)
(UDIN: 20105828AAAABA7831)

Place: Mumbai
Date: 9th May 2020

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March 2020, we have audited the internal financial controls over financial reporting of Adani Transmission Limited (hereinafter referred to as "Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of Parent and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of Parent and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit

to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of Parent and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors referred to in the Other Matters paragraph below, Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control

stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates 23 subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Mohammed Bengali
Partner
(Membership No. 105828)
(UDIN: 20105828AAAABA7831)

Place: Mumbai
Date: 9th May 2020

Consolidated Balance Sheet

as at 31st March 2020

(₹ in Crores)

Particulars	Notes	As at 31 st March 2020	As at 31 st March 2019
ASSETS			
Non-current Assets			
Property, Plant and Equipment	5.1	23,099.70	22,836.64
Capital Work-in-Progress	5.2	2,208.96	694.06
Right of Use Assets	5.3	237.54	-
Goodwill		592.09	590.14
Intangible Assets	5.1	994.87	985.22
Intangible Assets Under Development		3.28	-
Financial Assets			
(i) Investments	6	-	120.92
(ii) Loans	7	38.91	41.16
(iii) Other Financial Assets	8	2,302.41	1,312.09
Deferred Tax Assets (Net)	9	-	102.58
Income Tax Assets (Net)	10	37.31	36.62
Other Non-current Assets	11	1,510.69	1,006.34
Total Non-current Assets		31,025.76	27,725.77
Current Assets			
Inventories	12	541.17	366.18
Financial Assets			
(i) Investments	13	312.67	214.86
(ii) Trade Receivables	14	1,000.26	722.05
(iii) Cash and Cash Equivalents	15	1,232.99	188.25
(iv) Bank Balances other than (iii) above	16	1,063.85	513.31
(v) Loans	17	2,409.28	8.75
(vi) Other Financial Assets	18	1,543.31	1,685.98
Other Current Assets	19	334.17	130.29
Total Current Assets		8,437.70	3,829.67
Total Assets before Regulatory Deferral Account		39,463.46	31,555.44
Regulatory Deferral Account – Asset	57	247.73	1,105.60
Total Assets		39,711.19	32,661.04
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	20	1,099.81	1,099.81
Unsecured Perpetual Equity Instrument	21	3,279.42	3,408.03
Other Equity	22	4,119.73	3,535.04
Total Equity attributable to Equity Holders of the Company		8,498.96	8,042.88
Non-Controlling Interests		1,062.13	-
Total Equity		9,561.09	8,042.88
Liabilities			
Non-current Liabilities			
Financial Liabilities			
(i) Borrowings	23	22,289.65	16,304.11
(ii) Trade Payables	24	-	-
(A) total outstanding dues of micro enterprises and small enterprises; and		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		29.35	21.80
(iii) Other Financial Liabilities	25	419.86	182.96
Other Non-Current Liabilities	26	278.02	224.82
Provisions	27	275.58	447.07
Deferred Tax Liabilities (Net)	28	971.37	747.67
Total Non-current Liabilities		24,263.83	17,928.43
Current Liabilities			
Financial Liabilities			
(i) Borrowings	29	1,235.81	1,632.78
(ii) Trade Payables	30	-	-
(A) total outstanding dues of micro enterprises and small enterprises;		49.93	0.64
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		1,701.58	1,236.28
(iii) Other Financial Liabilities	31	1,982.51	3,211.27
Other Current Liabilities	32	309.42	258.46
Provisions	27	62.40	63.55
Current Tax Liabilities (Net)	33	40.29	15.19
Total Current Liabilities		5,381.94	6,418.17
Total Liabilities before Regulatory Deferral Account		29,645.77	24,346.60
Regulatory Deferral Account–Liabilities	57	504.33	271.56
Total Equity and Liabilities		39,711.19	32,661.04

See accompanying notes forming part of the consolidated financial statements

As per our attached report of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm Registration Number: 117366W/W-100018

MOHAMMED BENGALI

Partner

(Membership No. 105828)

For and on behalf of the Board of Directors

ADANI TRANSMISSION LIMITED**GAUTAM S. ADANI**

Chairman

DIN: 00006273

KAUSHAL SHAH

Chief Financial Officer

ANIL SARDANA

Managing Director and

Chief Executive Officer

DIN: 00006867

JALADHI SHUKLA

Company Secretary

Place: Ahmedabad

Date: 9th May 2020Place: Mumbai
Date: 9th May 2020

Consolidated Statement of Profit and Loss

for the year ended 31st March 2020

(₹ in Crores)

Particulars	Notes	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Income			
Revenue from Operations			
(i) From Generation, Transmission and Distribution Business	34	10,491.35	6,463.10
(ii) From Trading Business	35	924.61	842.35
Other Income	36	265.33	255.35
Total Income		11,681.29	7,560.80
Expenses			
Cost of Power Purchased		2,679.13	1,648.62
Cost of Fuel		1,018.23	642.50
Purchase of Stock-in-Trade	37	924.21	838.94
Employee Benefits Expense	38	973.24	586.92
Finance Costs	39	2,238.49	1,391.03
Depreciation and Amortisation Expense	5.1, 5.2 & 5.3	1,174.02	882.15
Other Expenses	40	1,334.52	826.24
Total Expenses		10,341.84	6,816.40
Profit Before Rate Regulated Activities, Tax and Deferred Assets recoverable/adjustable for the year		1,339.45	744.40
Net movement in Regulatory Deferral Account Balances - Income/(Expenses)		(232.77)	95.84
Profit Before Tax and Deferred Assets recoverable/adjustable for the year		1,106.68	840.24
Tax Expense:	41		
Current Tax		213.80	191.87
Deferred Tax		329.08	183.49
Total Tax expenses		542.88	375.36
Profit After Tax for the year but before Deferred Assets recoverable/adjustable		563.80	464.88
Deferred assets recoverable/adjustable (refer note 11.3)		142.69	94.32
Profit After Tax for the year		706.49	559.20
Other Comprehensive Income/(Loss)			
(a) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans/(Loss)		(21.10)	(1.42)
- Tax relating to items that will not be reclassified to Profit or Loss		3.61	-
(b) Items that will be reclassified to profit or loss			
- Effective portion of gains and losses on designated portion of hedging instruments in a cash flow hedge		135.06	9.19
- Tax relating to items that will be reclassified to Profit or Loss		2.76	-
Total Other Comprehensive Income for the year (Net of Tax)		120.33	7.77
Total Comprehensive Income for the year		826.82	566.97
Profit/(Loss) for the year attributable to:			
Owners of the Company		741.82	559.20
Non-controlling interests		(35.33)	-
		706.49	559.20
Other Comprehensive Income/ (Loss) for the year attributable to:			
Owners of the Company		127.93	7.77
Non-controlling interests		(7.60)	-
		120.33	7.77
Total Comprehensive Income/(Loss) for the year attributable to:			
Owners of the Company		869.75	566.97
Non-controlling interests		(42.93)	-
		826.82	566.97
Earnings Per Share (EPS) (in ₹)			
(Face Value ₹ 10 Per Share)	42		
Basic / Diluted Earnings per Equity Share (Face Value of ₹ 10 each) after net Movement in Regulatory Deferral Balances (₹)		2.94	2.30
Basic / Diluted Earnings per Equity Share (Face Value of ₹ 10 each) before net Movement in Regulatory Deferral Balances (₹)		4.69	1.43

See accompanying notes forming part of the consolidated financial statements

As per our attached report of even date
For Deloitte Haskins & Sells LLP
 Chartered Accountants
 Firm Registration Number: 117366W/W-100018

MOHAMMED BENGALI
 Partner
 (Membership No. 105828)

For and on behalf of the Board of Directors
ADANI TRANSMISSION LIMITED

GAUTAM S. ADANI
 Chairman
 DIN: 00006273

KAUSHAL SHAH
 Chief Financial Officer

ANIL SARDANA
 Managing Director and
 Chief Executive Officer
 DIN: 00006867

JALADHI SHUKLA
 Company Secretary

Place: Mumbai
 Date: 9th May 2020

Place: Ahmedabad
 Date: 9th May 2020

Statement of Consolidated Cash Flows

for the year ended 31st March 2020

(₹ in Crores)

Particulars	For the year ended 31 st March 2020	For the year ended 31 st March 2019
A. Cash flows from operating activities		
Profit before tax	1,106.68	840.24
Adjustments for:		
Depreciation and Amortisation Expense	1,174.02	882.15
Amortisation of Consumer Contribution	(8.49)	(7.42)
Gain on Sale/Fair Value of Current Investments measured at FVTPL	(61.53)	(15.56)
Finance Costs	2,338.91	1,343.72
Interest Income	(187.21)	(179.02)
Provision for Stamp Duty Expense	22.60	-
Unclaimed liabilities/Excess provision written back	(0.26)	(1.01)
Write downs in Inventory value	4.53	-
Bad debt written off	0.56	-
Expected Credit Loss- Doubtful Debts, Advances, Deposits	43.62	12.20
Loss on sale of Property, Plant and Equipment	4.58	15.68
Foreign Exchange Fluctuation Loss	12.53	-
Unrealised Foreign Exchange (Gain)/Loss - Borrowings net of Hedging	(100.42)	47.31
Bad Debt Recovery	-	(3.09)
Operating profit before working capital changes	4,350.12	2,935.20
Changes in Working Capital:		
(Increase)/Decrease in Operating Assets:		
Employee Loans, Other Financial Assets and Other Assets	312.41	(407.05)
Inventories	(179.52)	(127.15)
Trade Receivables	(321.00)	84.96
Regulatory Deferral Account – Assets	857.87	372.05
Increase/(Decrease) in Operating Liabilities:		
Trade Payables	406.22	(98.35)
Regulatory Deferral Account - Liabilities	232.77	-
Other Financial Liabilities, Other Liabilities and Provisions	(35.85)	22.53
Cash generated from operations	5,623.02	2,782.19
Taxes paid (Net of Income tax Refund)	(185.82)	(190.81)
Net cash generated from operating activities (A)	5,437.20	2,591.38
B. Cash flows from investing activities		
Payments of Capital expenditure on Property, Plant and Equipment, Intangible Asset including capital advance (Net)	(2,762.67)	(1,198.55)
Acquisition of Subsidiaries	(50.22)	(1,534.96)
Advance for Business Acquisition	(17.21)	-
Sale/(Purchase) of non-current investment (net)	120.92	(2.92)
(Purchase) of current investment (net)	(83.85)	(175.59)
(Deposits in) Bank deposits (net) (Including Margin money deposit)	(593.84)	(472.55)
Investment in Service Concession Arrangements	-	(18.59)
Loans given	(2,400.53)	-
Interest Received	144.52	264.99
Net cash used in investing activities (B)	(5,642.88)	(3,138.17)
C. Cash flows from financing activities		
Payment of lease liabilities (including Interest of ₹ 11.97 crores)	(35.66)	-
Increase in Service Line Contribution	20.14	16.45
Proceeds from Long-term borrowings	19,025.09	2,457.44
Repayment of Long-term borrowings	(15,686.01)	(2,113.19)
Proceeds from Short-term borrowings	4,651.91	7,028.35
Repayment of Short-term borrowings	(5,084.22)	(7,284.50)
Distribution on Unsecured Perpetual Equity Instrument	(2.28)	(0.31)
Proceeds from issue of Unsecured Perpetual Equity Instrument	700.00	1,254.00
Proceeds on Sale of Equity Shares in Subsidiary Company	1,209.62	-
Repayment of Unsecured Perpetual Equity Instrument	(1,209.62)	-
Finance Cost paid	(2,338.57)	(1,320.20)
Net cash generated from financing activities (C)	1,250.40	38.04
Net increase/(decrease) in cash and cash equivalents (A+B+C)	1,044.72	(508.75)
Cash and cash equivalents at the beginning of the year	188.25	609.09
Cash and cash equivalents received on account of acquisition of subsidiaries	0.02	87.91
Cash and cash equivalents at the end of the year	1,232.99	188.25

Statement of Consolidated Cash Flows

for the year ended 31st March 2020

Particulars	(₹ in Crores)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Cash and Cash Equivalents includes (Refer note 15)		
Balances with banks		
In current accounts	920.33	148.04
Fixed Deposits (with original maturity for three months or less) (Lodged against Bank guarantees and Debt service reserve account)	306.05	28.54
Cheque/ Draft on Hand	6.19	9.06
Cash on Hand	0.42	2.61
Total Cash and Cash Equivalents	1,232.99	188.25

Notes to statement of Consolidated Cash Flows:

- The Statement of Consolidated Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 "Statement of Cash Flows"
- Disclosure under Para 44A as set out in Ind AS 7 on Statement of Cash Flows under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is given below:

Particulars	1 st April 2019	Cash Flows	Unrealised Foreign Exchange Gain/ (Loss)	Other	(₹ in Crores)
					31 st March 2020
Long-term Borrowings (Including Current Maturities of Long-Term Debt)	18,504.21	3,339.08	1,188.36	(21.73)	23,009.92
Short-term Borrowings	1,632.78	(432.31)	-	35.34	1,235.81
Unsecured perpetual Equity Instrument including Distribution (Net of Tax)	3,408.03	(511.90)	-	383.29	3,279.42
TOTAL	23,545.02	2,394.87	1,188.36	396.90	27,525.15

Particulars	1 st April 2018	Cash Flows	Unrealised Foreign Exchange Gain/ (Loss)	Other	(₹ in Crores)
					31 st March 2019
Long-term Borrowings (Including Current Maturities of Long-Term Debt)	9,417.69	344.25	187.75	8,554.52	18,504.21
Short-term Borrowings	1,010.65	(256.15)	-	878.28	1,632.78
Unsecured perpetual Equity Instrument including Distribution (Net of Tax)	1,848.63	1,253.69	-	305.71	3,408.03
TOTAL	12,276.97	1,341.79	187.75	9,738.51	23,545.02

See accompanying notes forming part of the consolidated financial statements

As per our attached report of even date
For Deloitte Haskins & Sells LLP
 Chartered Accountants
 Firm Registration Number: 117366W/W-100018

MOHAMMED BENGALI
 Partner
 (Membership No. 105828)

For and on behalf of the Board of Directors
ADANI TRANSMISSION LIMITED

GAUTAM S. ADANI
 Chairman
 DIN: 00006273

KAUSHAL SHAH
 Chief Financial Officer

ANIL SARDANA
 Managing Director and
 Chief Executive Officer
 DIN: 00006867

JALADHI SHUKLA
 Company Secretary

Place: Mumbai
 Date: 9th May 2020

Place: Ahmedabad
 Date: 9th May 2020

Consolidated Statement of Changes in Equity

for the year ended 31st March 2020

A. Equity Share Capital

Particulars	No. Shares	(₹ in Crores)
Balance as at 1st April 2018	1,09,98,10,083	1,099.81
i) Issued of shares during the year	-	-
Balance as at 31st March 2019	1,09,98,10,083	1,099.81
i) Issued of shares during the year	-	-
Balance as at 31st March 2020	1,09,98,10,083	1,099.81

B. Unsecured Perpetual Equity Instrument

Particulars	(₹ in Crores)
Balance as at 1st April 2018	1,848.63
i) Add: Availed during the year	1,254.00
ii) Add: Distribution on Unsecured Perpetual Equity Instrument (Net of Tax)	305.40
Balance as at 31st March 2019	3,408.03
i) Add: Availed during the year	700.00
ii) Add: Distribution on Unsecured Perpetual Equity Instrument (Net of Tax)	381.01
iii) Less: Repaid during the year	(1,209.62)
Balance as at 31st March 2020	3,279.42

C. Other Equity

(₹ in Crores)

Particulars	Attributable to owners of the Company							Total Attributable to owners of the Company	Non - controlling interest	Total Equity
	Reserves and Surplus						Item of other comprehensive income			
	Capital Reserve	General Reserve	Retained Earnings	Capital Redemption Reserve	Debenture Redemption Reserve	Contingency Reserve	Effective portion of cash flow Hedge			
Balance as at 1st April 2018	208.87	1,220.60	1,061.07	801.25	-	-	(183.74)	3,108.05	-	3,108.05
Profit for the year	-	-	559.20	-	-	-	-	559.20	-	559.20
Add/(Less): Other comprehensive income for the year (Net of Tax)	-	-	(1.42)	-	-	-	9.19	7.77	-	7.77
(Less): Distribution on Unsecured perpetual Equity Instrument	-	-	(305.71)	-	-	-	-	(305.71)	-	(305.71)
Add/(Less): Transfer from Retained Earning to Capital Redemption Reserve (CRR) on redemption of Optionally Convertible Redeemable Preference Shares (OCRPs)	-	-	(1,090.63)	1,090.63	-	-	-	-	-	-
Add/ (Less): Transfer from Retained Earning to Contingency Reserve	-	-	(37.44)	-	-	37.44	-	-	-	-
Add / (Less): Transfer from Retained Earning to Debenture Redemption Reserve	-	-	(12.87)	-	12.87	-	-	-	-	-
Add: Transfer from Retained Earning	-	-	-	-	-	-	-	-	-	-
Add: Acquired on Business Combination	-	-	-	-	-	165.73	-	165.73	-	165.73
Balance as at 31st March 2019	208.87	1,220.60	172.20	1,891.88	12.87	203.17	(174.55)	3,535.04	-	3,535.04

Consolidated Statement of Changes in Equity

for the year ended 31st March 2020

(₹ in Crores)

Particulars	Attributable to owners of the Company							Total Attributable to owners of the Company	Non - controlling interest	Total Equity
	Reserves and Surplus						Item of other comprehensive income			
	Capital Reserve	General Reserve	Retained Earnings	Capital Redemption Reserve	Debenture Redemption Reserve	Contingency Reserve	Effective portion of cash flow Hedge			
Profit/(Loss) for the year	-	-	741.82	-	-	-	-	741.82	(35.33)	706.49
Add/(Less): Other comprehensive income for the year (Net of Tax)	-	-	(13.21)	-	-	-	141.14	127.93	(7.60)	120.33
(Less): Distribution on Unsecured perpetual Equity Instrument	-	-	(383.29)	-	-	-	-	(383.29)	-	(383.29)
Non- Controlling interest on sale of Equity Shares of Subsidiary Companies	-	-	-	-	-	-	-	-	1,105.91	1,105.91
Add: Gain on sale of Equity Shares of Subsidiary Companies to non controlling interest (Refer Note 60)	-	-	97.38	-	-	-	-	97.38	-	97.38
Add/ (Less): Transfer from Retained Earning to Contingency Reserve	-	-	(36.52)	-	-	37.37	-	0.85	(0.85)	-
Add / (Less): Transfer from Retained Earning to Debenture Redemption Reserve	-	-	(0.57)	-	0.57	-	-	-	-	-
Balance as at 31st March 2020	208.87	1,220.60	577.81	1,891.88	13.44	240.54	(33.41)	4,119.73	1,062.13	5,181.86

See accompanying notes forming part of the consolidated financial statements

As per our attached report of even date

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm Registration Number: 117366W/W-100018

MOHAMMED BENGALI

Partner

(Membership No. 105828)

For and on behalf of the Board of Directors

ADANI TRANSMISSION LIMITED**GAUTAM S. ADANI**

Chairman

DIN: 00006273

KAUSHAL SHAH

Chief Financial Officer

ANIL SARDANA

Managing Director and

Chief Executive Officer

DIN: 00006867

JALADHI SHUKLA

Company Secretary

Place: Mumbai

Date: 9th May 2020

Place: Ahmedabad

Date: 9th May 2020

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

1 Corporate information

Adani Transmission Limited ("The Company") is a public limited company incorporated and domiciled in India. Its ultimate holding entity is S. B. Adani Family Trust (SBAFT), having its registered office at Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009, Gujarat, India. The Company and its Twenty eight subsidiaries (together referred to as "the Group") is incorporated to carry on the business of establishing, commissioning, setting up, operating and maintaining electric power transmission systems and to peruse acquisition of available opportunity in power transmission systems/networks. The Group is providing transmission services in India spreading across Gujarat, Rajasthan, Maharashtra, Haryana, Chhattishgarh and Madhya Pradesh. The group is also developing additional projects in India spreading in Gujarat, Maharashtra, Rajasthan, Jharkhand, Bihar, & Uttar Pradesh. The Group has entered in Generation and Distribution business in Mumbai through acquisition of Integrated Mumbai suburban Power i.e. Business Generation, Transmission and Distribution (GTD). The Group has entered in to new business opportunities through OPGW fibres on transmission lines with the ambition of expanding its telecom solutions to Telcos, Internet service providers and long distance communication operators. The commercialisation of the network shall be done through leasing out spare capacities to potential communication players.

During the year, the Group has successfully won Six transmission bids (Including LOI received for one project).

The Group also deals as a trader in Agro commodities. The Group gets synergetic benefit of the integrated value chain of Adani group.

2 Significant accounting policies

2.1 Statement of Compliance

The Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards (IndAS) as notified under the Companies (Indian Accounting Standards) Rules, 2017 read with section 133 of the Companies Act, 2013 ("the Act") (as amended from time to time).

2.2 Basis of Preparation

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values

at the end of each reporting period, as explained in the accounting policies below.

The Function currency of the group is Indian Rupee(INR). The Consolidated financial statements are presented in INR and all values are rounded to the nearest Crores (Transactions below ₹ 50,000.00 denoted as ₹ 0.00), unless otherwise indicated.

2.3 Basis of consolidation

The consolidated financial statements incorporate the consolidated financial statements of the Company and its subsidiaries. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Statement of Profit and Loss from the

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The list of Companies included in consolidation, relationship with Adani Transmission Limited and its shareholding therein is as under: The reporting date for all the entities is 31st March 2020.

Sr. No.	Name of Company	Country of Incorporation	Relationship	Shareholding as on 31 st March 2020	Shareholding as on 31 st March 2019
1	Adani Transmission (India) Limited (ATIL)	India	Subsidiary	100%	100%
2	Maharashtra Eastern Grid Power Transmission Co. Limited (MEGPTCL)	India	Subsidiary	100%	100%
3	Sipat Transmission Limited (STL)	India	Subsidiary	100%	100%
4	Raipur-Rajnandgaon-Warora Transmission Limited (RRWTL)	India	Subsidiary	100%	100%
5	Chhattisgarh-WR Transmission Limited (CWRTL)	India	Subsidiary	100%	100%
6	Adani Transmission (Rajasthan) Limited (ATRL)	India	Subsidiary	100% ¹	100% ¹
7	North Karanpura Transco Limited (NKTL)	India	Subsidiary	100%	100%
8	Maru Transmission Service Company Limited (MTSCL)	India	Subsidiary	100%	100%
9	Aravali Transmission Service Company Limited (ATSCL)	India	Subsidiary	100%	100%
10	Hadoti Power Transmission Service Limited (HPTSCL)	India	Subsidiary	100%	100%
11	Barmer Power Transmission Service Limited (BPTSCL)	India	Subsidiary	100%	100%
12	Thar Power Transmission Service Limited (TPTSCL)	India	Subsidiary	100%	100%
13	Western Transco Power Limited (WTPL)	India	Subsidiary	100%	100%
14	Western Transmission (Gujarat) Limited (WTGL)	India	Subsidiary	100%	100%
15	Fatehgarh-Bhadla Transmission Limited (FBTL)	India	Subsidiary	100%	100%
16	Ghatampur Transmission Limited (GTL)	India	Subsidiary	100%	100%
17	Adani Electricity Mumbai Limited (AEML) (Refer Note 60)	India	Subsidiary	74.90%	100%
18	AEML Infrastructure Limited	India	Subsidiary	100%	100%
19	OBRA-C Badaun Transmission Limited	India	Subsidiary	100%	100%
20	Adani Transmission Bikaner Sikar Private Limited (Formerly Known as KEC Bikaner Sikar Transmission Private Limited)	India	Subsidiary	100% ²	100% ²
21	WRSS XXI (A) Transco Limited (WRSS XXI (A))	India	Subsidiary	100%	N.A.
22	Bikaner Khetri Transco Limited (BKTL)	India	Subsidiary	100%	N.A.
23	Lakadia Banaskantha Transco Limited (LBTL)	India	Subsidiary	100%	N.A.
24	Jamkhambhaliya Transco Limited (JKTL)	India	Subsidiary	100%	N.A.
25	Arasan Infra Private Limited (AIPL)	India	Subsidiary	100%	N.A.
26	Sunrays Infra Space Private Limited (SISPL)	India	Subsidiary	100%	N.A.
27	Power Distribution Services Limited (Formerly known as 'Adani Electricity Mumbai Services Limited') (Refer Note 60) (PDSL)	India	Subsidiary	74.90%	N.A.
28	Adani Electricity Mumbai Infra Limited (100% subsidiary of AEML) (AEMIL)	India	Subsidiary	74.90%	N.A.

- Adani Transmission (Rajasthan) Limited (ATRL) has entered into a contract (Transmission Service Agreement) with Rajasthan Rajya Vidyut Prasaran Nigam Limited (RRVPL) providing for the issue and allotment of one non-transferable equity share of ATRL (the "Golden Share") in favour of the RRVPL.
- Adani Transmission Bikaner Sikar Private Limited (ATBSPL) has entered into a contract (Transmission Service Agreement) with Rajasthan Rajya Vidyut Prasaran Nigam Limited (RRVPL) providing for the issue and allotment of one non-transferable equity share of ATBSPL (the "Golden Share") in favour of the RRVPL.

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

2.4 Summary of significant accounting policies

(a) Property, plant and equipment

Land and building held for use in the production or for administrative purposes are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Free hold land is not depreciated.

Property, plant and equipment are stated at original cost grossed up with the amount of tax / duty benefits availed, less accumulated depreciation and accumulated impairment losses, if any. Properties in the course of construction are carried at cost, less any recognised impairment losses. All costs, including borrowing costs incurred up to the date the asset is ready for its intended use, is capitalised along with respective asset. Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any.

Fixtures equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised based on the cost of assets (other than land) less their residual values over their useful lives.

- i) Depreciation in respect of assets related to electricity generation, transmission and distribution business except (ii) & (iii) below are covered under Part B of Schedule II of the Companies Act, 2013, has been provided on the straight line method (considering a salvage value of 5%) at the rates using the methodology as notified by the respective regulators.
- ii) In respect of assets of Dahanu Thermal Power Station (DTPS) which have been accounted at fair value, considering life as specified in MYT regulations, depreciation is provided on Straight Line Method (considering a salvage value of 5%) over their balance useful life. In respect of DTPS based on technical evaluation, the balance useful life has been determined as 15 years.
- iii) In respect of assets other than (i) & (ii) above, depreciation on fixed assets is calculated on straight-line method (SLM) (considering a salvage value of 5%) basis using the rates arrived on the basis on useful life as specified in Schedule II of the Companies Act, 2013. The estimated Useful lives, residual value

and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Decapitalisation

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Estimated useful lives of assets are as follows:-

Type of Assets	Useful lives
Building	25-60 Years
Plant and Equipment	3-35 Years
Furniture and Fixtures	10-15 Years
Office Equipment	5-15 Years
Computer Equipment	3-6 Years
Vehicles	8-10 Years
Distribution Line / Transmission Cable	35 Years
Plant and Equipment, Building at DTPS	15 Years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(b) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal.

In respect of Intangible Asset ("Assets") pertaining to Mumbai Generation, Transmission and Distribution business during the year with effect from 29th August 2018, the group has accounted for such Assets at their respective

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

fair values based on the valuation done by professional valuation firm. Subsequent additions to the assets after 29th August 2018 are accounted for at cost.

In respect of Intangible Asset ("Assets") pertaining to Mumbai Generation, Transmission and Distribution business acquired from Reliance Infrastructure Limited under a Court sanctioned scheme of arrangement with an appointed date of 1st April 2018, in line with the requirements of the Court Scheme, the Company has accounted for such Assets at their respective fair values as at 1st April 2018 based on valuation done by professional valuation firm.

Derecognition of Intangible assets.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in statement of profit and loss when the asset is derecognised.

Useful life

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible Assets with Indefinite lives are not amortised but are tested for impairment on annual basis.

Estimated useful lives of the intangible assets are as follows:

Type of Assets	Useful lives
Transmission License*	Indefinite
Computer Software	3-5 years

* Related to Mumbai distribution Business

(c) Intangible Assets Under Development - Software

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

(d) Impairment of PPE and intangible assets other than Goodwill

PPE (including CWIP) and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Intangible assets having indefinite useful lives are tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired.

For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the recoverable amount is determined at the cash generating unit ("CGU") level to which the said asset belongs. If such individual assets or CGU are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

asset / CGU exceeds their estimated recoverable amount and allocated on pro-rata basis.

Impairment losses are reversed in the statement of profit and loss and the carrying value is increased to its revised recoverable amount provided that this amount does not exceed the carrying value that would have been determined had no impairment loss been recognised for the said asset / CGU in previous years.

(e) Current versus Non-Current Classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle; or
- Held primarily for the purpose of trading; or
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

(f) Cash & Cash Equivalents

Cash & cash equivalents comprises cash on hand, cash at bank and short term deposit with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash & cash equivalents include balance with banks which are unrestricted for withdrawal and usage.

For the purpose of the statement of cash flows, cash & cash equivalents consists of cash at banks and short term deposits as defined above, as they are considered an integral part of the Group's cash management.

(g) Statement of Cash Flows

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

(h) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group's entity

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

are recognised at the proceeds received, net of direct issue costs.

(A) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

i) *Classification of financial assets*

a) *Financial assets at amortised cost*

Financial assets are subsequently measured at amortised cost using the effective interest rate method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) *Financial assets at fair value through other comprehensive income (FVTOCI)*

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the Group makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

c) *Financial assets at fair value through profit & loss (FVTPL)*

All financial assets that do not meet the criteria for amortised cost are measured at FVTPL.

ii) *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and transaction costs and other premiums or discounts) through the expected life of the financial assets, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value through Profit and Loss (FVTPL). Interest income is recognised in profit or loss and is included in the "Other income" line item.

iii) *Derecognition of financial assets*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- the right to receive cash flows from the asset have expired, or
- the Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and

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either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

iv) *Impairment of financial assets*

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset. Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Group estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument. The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on financial instruments has not

increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that will result if default occurs within the 12 months after the reporting date and this, are not cash shortfalls that are predicted over the next 12 months. If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses. When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable recognition and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are expedient as permitted under Ind AS 109, this expected credit loss allowance is computed based on a provision matrix which takes into account historical

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credit loss experience and adjusted for forward looking information.

v) *Foreign exchange gains and losses*

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in Statement of Profit and Loss.

vi) *Impairment of investments*

The Group reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted in the statement of profit and loss.

(B) Financial liabilities and equity instruments

i) *Classification as debt or equity*

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

ii) *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

iii) *Financial liabilities*

All financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the Effective Interest Rate (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral

part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

(iv) *Financial liabilities at Fair Value through Profit or Loss (FVTPL)*

A financial liability may be designated as at FVTPL upon initial recognition if:

such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

the financial liability whose performance is evaluated on a fair value basis, in accordance with the Group's documented risk management;

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

v) *Financial liabilities at amortised cost*

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

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Trade and other payables are recognised at the transaction cost, which is its fair value, and subsequently measured at amortised cost.

vi) Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL or amortisation cost, the foreign exchange component forms part of the fair value gains or losses and is recognised in the Statement of Profit and Loss.

vii) Derecognition of Financial Liability

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

(C) Reclassification of financial assets and liabilities

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are

debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

(D) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(i) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement: In order to hedge its exposure to foreign exchange and interest rate risks, the Group enters into forward contracts, Principle only Swaps (POS) and other derivative financial instruments. The Group does not hold derivative financial instruments for speculative purposes.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the statement of profit and loss when the hedge

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item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting.

The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the statement of profit and loss immediately, together with any changes in the fair value of the hedged

asset or liability that are attributable to the hedged risk

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in statement of profit and loss.

Hedge accounting is discontinued when the Group revokes the hedge relationship, the hedging instrument or hedged item expires or is sold, terminated, or exercised or no longer meets the criteria for hedge accounting.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

Amounts recognised in OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Cost of inventory includes cost of purchase and other costs incurred in bringing

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the inventories to their present location and condition. Unserviceable/damaged stores and spares are identified and written down based on technical evaluation.

(k) Business combinations and Goodwill

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

If the initial accounting for a business combination is incomplete as at the reporting date in which the combination occurs, the identifiable assets and liabilities acquired in a business combination are measured at their provisional fair values at the date of acquisition. Subsequently adjustments to the provisional values are made within the measurement period, if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date; otherwise the adjustments are recorded in the period in which they occur.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity

recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

(l) Foreign currencies

The functional currency of the Group is Indian Rupee ₹

In preparing the financial statements of the Group, transactions in currencies other than the entity's functional currency are recognised at the rate of exchange prevailing on the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for:

- (i) exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- (ii) exchange differences on transactions entered into in order to hedge certain foreign currency risks (see note 49)

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(m) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

- (i) In the principal market for the asset or liability; or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Fair value measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

- (i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- (ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- (iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per The Group's

accounting policies. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(n) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

i) Income from Transmission of Power:

- Revenue are recognised immediately when the service is provided. The Group collects the tax on behalf of the government and therefore, these are not economic benefits flowing to the Group. Hence they are excluded from revenue.
- Transmission income is accounted for based on tariff orders notified by respective regulatory authorities.
- The transmission system incentive / disincentive is accounted for based on certification of availability by respective Regional Power Committee.
- **Service concession arrangements (SCA):** With respect to SCA, revenue and costs are allocated between those relating to construction services and those relating to operation and maintenance services, and are accounted for separately. Consideration received or receivable is allocated by reference to the relative fair value of services delivered when the amounts are separately identifiable. The infrastructure used in a concession are classified as an intangible asset or a financial asset, depending on the nature of the payment entitlements established in the SCA. When the amount of consideration under the arrangement for the provision of public services is substantially fixed by a contract, the Group recognizes the consideration for construction services at its fair value as a financial asset and is classified as "financial asset under service concession arrangements". When the demand risk is with Group, then, to the extent that the Group has a right to charge

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the user of infrastructure facility, the Group recognizes the consideration for construction services at its fair value, as an intangible asset. The Group accounts for such intangible asset in accordance with the provisions of Ind AS 38. When the amount of consideration under the arrangement comprises-

- fixed charges based on Annual Capacity and
- variable charges based on Actual utilisation of capacity

then, the Group recognizes the consideration for construction services at its fair value, as the "financial asset under service concession arrangement" to the extent present value of fixed payment to be received discounted at incremental borrowing rate and the residual portion is recognized as an intangible asset

(a) Infrastructure is under project phase, the treatment of income is as follows:

Revenues relating to construction contracts which are entered into with government authorities for the construction of the infrastructure necessary for the provision of services are measured at the fair value of the consideration received or receivable. Revenue from service concession arrangements is recognised based on the fair value of construction work performed at the reporting date.

(b) Infrastructure is in operation, the treatment of income is as follows:

Finance income over financial asset after consideration of fixed transmission charges is recognized using effective interest method. Variable transmission charges revenue is recognized in the period when the service is provided. Revenues relating to construction contracts which are entered into with government authorities for the construction of the infrastructure necessary for the provision of services are measured at the fair value of the consideration received or receivable. Revenue from service concession arrangements is recognised based on the fair value of

construction work performed at the reporting date.

(ii) Sale of Power - Distribution Business

Revenue from sale of power is recognised net of cash discount over time for each unit of electricity delivered at the pre determined rate.

(iii) Rendering of Services

Revenue from a contract to provide services is recognised over time based on output method where direct measurements of value to the customer based on survey's of performance completed to date. Revenue is recognised net of cash discount at a point in time at the contracted rate.

(iv) Amortisation of Service Line Contribution

Contributions by consumers towards items of property, plant and equipment, which require an obligation to provide electricity connectivity to the consumers, are recognised as a credit to deferred revenue. Such revenue is recognised over the useful life of the property, plant and equipment

(v) Sale of Goods:

Revenue from sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the amount of revenue can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the Group.
- There is no significant judgement involved while evaluating the timing as to when customers obtain control of promised goods and services.

(vi) Interest on Overdue Receivables / Delay Payment Charges

(i) Transmission business- Revenue in respect of delayed payment charges and interest on delayed payments leviable as per the relevant contracts are recognised on actual realisation or accrued based on an assessment of certainty of realization supported by either an acknowledgement from

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customers or on receipt of favourable order from regulator / authorities.

- (ii) Distribution Business - Consumers are billed on a monthly basis and are given average credit period of 15 to 30 days for payment. No delayed payment charges ('DPC') / interest on arrears ('IOA') is charged for the initial 15-30 days from the date of invoice to customers. Thereafter, DPC / IOA is charged at the rate prescribed in the tariff order on the outstanding amount.

(o) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

(p) Employee benefits

i) Defined benefit plans:

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees through Group Gratuity Scheme of Life Insurance Corporation of India. The Group accounts for the liability for the gratuity benefits payable in future based on an independent actuarial valuation carried out using Projected Unit Credit Method considering discounting rate relevant to Government Securities at the Balance Sheet Date.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent

periods. Past service costs are recognised in the statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs
- Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:
 - Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements; and
 - Net interest expense or income.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Defined benefit costs in the nature of current and past service cost and net interest expense or income are recognized in the

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statement of profit and loss in the period in which they occur. Actuarial gains and losses on remeasurement is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur and is reflected immediately in retained earnings and not reclassified to profit or loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment.

ii) Defined contribution plan:

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

iii) Compensated Absences:

Provision for Compensated Absences and its classifications between current and non-current liabilities are based on independent actuarial valuation. The actuarial valuation is done as per the projected unit credit method as at the reporting date.

iv) Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

(q) Leases

Effective from 1st April 2019, the Group adopted Ind AS 116 – Leases and applied the standard to all lease contracts existing as on 1st April 2019 using the modified retrospective method on the date of initial application i.e. 1st April 2019. Refer 44 for details on transition to Ind AS 116 Leases.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an

identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method.

Under Ind AS 17 Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

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As a Lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

As a Lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Lease payments

Payments made under operating leases are generally recognised in profit and loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(r) Taxation

Tax on Income comprises current tax and deferred tax. These are recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

i) Current tax

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations for which applicable tax regulations are subject

to interpretation and revises the provisions where appropriate.

ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction other than a business combination that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

Deferred tax assets are recognised for unused tax losses (excluding unabsorbed depreciation) to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Regulators tariff norms provide the recovery of Income Tax from the beneficiaries by way of grossing up the return on equity based on effective tax rate for the financial year shall be based on the actual tax paid during the year on the transmission income from certain subsidiaries. Accordingly, deferred tax liability provided during the year which is fully recoverable from beneficiaries and known as "deferred assets recoverable / adjustable". The same will be recovered when the related deferred tax liability forms a part of current tax.

(s) Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

(t) Provisions, Contingent Liabilities and Contingent Assets.

i) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Present obligations arising under onerous contracts are recognised and measured as provisions with charge to statement of profit and loss. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the

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contract exceed the economic benefits expected to be received from the contract.

ii) Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise are disclosed as contingent liability and not provided for. Such liability is not disclosed if the possibility of outflow of resources is remote.

iii) Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets are not recognised but disclosed only when an inflow of economic benefits is probable.

(u) Regulatory Deferral Account

The Group determines revenue gaps (i.e. surplus/shortfall in actual returns over returns entitled) in respect of its regulated operations in accordance with the provisions of Ind AS 114 "Regulatory Deferral Accounts" read with the Guidance Note on Rate Regulated Activities issued by ICAI and based on the principles laid down under the relevant Tariff Regulations/Tariff Orders notified by the Electricity Regulator and the actual or expected actions of the regulator under the applicable regulatory framework. Appropriate adjustments in respect of such revenue gaps are made in the regulatory deferral account of the respective year for the amounts which are reasonably determinable and no significant uncertainty exists in such determination. These adjustments/accruals representing revenue gaps are carried forward as Regulatory deferral accounts debit/credit balances (Regulatory Assets/Regulatory Liabilities) as the case may be in the financial statements, which would be recovered/refunded through future billing based on future tariff determination by the regulator in accordance with the electricity regulations.

The Group presents separate line items in the balance sheet for:

- i. the total of all regulatory deferral account debit balances; and

- ii. the total of all regulatory deferral account credit balances.

A separate line item is presented in the Statement of Profit and Loss for the net movement in regulatory deferral account. Regulatory assets/liabilities on deferred tax expense/income is presented separately in the tax expense line item.

(v) Dividend distribution to equity shareholders

The Group recognises a liability to make dividend distributions to its equity holders when the distribution is authorised and the distribution is no longer at its discretion. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

In case of Interim Dividend, the liability is recognised on its declaration by the Board of Directors.

3 Significant accounting judgements, estimates and assumptions

Critical accounting judgements and key sources of estimation uncertainty

The application of the group accounting policies as described in Note 2, in the preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

The estimates and underlying assumptions are reviewed on an ongoing basis and any revisions thereto are recognized in the period in which they are revised or in the period of revision and future periods if the revision affects both the current and future periods. Actual results may differ from these estimates which could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

3.1 Property, plant and equipment:(PPE)

i) Service concession arrangements¹

The Group has assessed applicability of Appendix A of Ind AS - 11 "Service Concession Arrangements" with respect to its transmission assets portfolio. In assessing the applicability, the Group have exercised judgement in relation

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to the provisions of the Electricity Act, 2003, transmission license and / or agreements etc. Based on such assessment, it has concluded that Appendix A of Ind AS 11 is not applicable.

ii) Depreciation rates, depreciation method and residual value of property, plant and equipment¹

Depreciation is recognised based on the cost of assets (other than land) less their residual values over their useful lives.

- i) Depreciation in respect of assets related to electricity transmission business covered under Part B of Schedule II of the Companies Act, 2013, has been provided on the straight line method at the rates using the methodology as notified by the respective regulators.
- ii) In respect of other, depreciation on fixed assets is calculated on straight-line method (SLM) basis using the rates arrived on the basis on useful life as specified in Schedule II of the Companies Act, 2013. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

iii) Impairment of property plant and equipment²

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

3.2 Taxation:

i) Current tax¹

The Group has treated certain expenditure as being deductible for tax purposes. However, the tax legislation in relation to this expenditure is not clear and the Group has applied their judgement and interpretation for the purpose taking their tax position.

ii) Deferred tax assets²

Deferred tax assets are recognised for unused tax losses/ credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised,

based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Regulators tariff norms provide the recovery of Income Tax from the beneficiaries by way of grossing up the return on equity based on effective tax rate for the financial year shall be based on the actual tax paid during the year on the transmission income. Accordingly, deferred tax liability provided during the year which is fully recoverable from beneficiaries and known as "deferred assets recoverable / adjustable". The same will be recovered when the related deferred tax liability forms a part of current tax.

3.3 Fair value of Assets and liabilities acquired on business combination are considered at fair value². (Refer note 62)

3.4 Impairment of Goodwill and other intangible assets with indefinite life²

Goodwill and other intangible assets with indefinite life are tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments. (Refer Note 2.4 (k)) & (Refer note 58)

3.5 Judgement to estimate the amount of provision required or to determine required disclosure related to litigation and claim against the Group² (Refer note 43)

3.6 Fair value measurement of financial instruments²

In estimating the fair value of financial assets and financial liabilities, the Group uses market observable data to the extent available. Where such Level 1 inputs

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are not available, the Group establishes appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 46.

3.7 Employee benefit plans:

Defined benefit plans and other long-term employee benefits²

The present value of obligations under defined benefit plan and other long term employment benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations, attrition rate and mortality rates etc. Due to the complexities involved in the valuation and its long term nature, these obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Information about the various estimates and assumptions made in determining the present value of defined benefit obligations are disclosed in Note 54.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

3.8 Assessment of lease classification in respect of long term power purchase agreement.¹

The Group had a 25 year long term Power Purchase Agreement (PPA) with Vidharbha Industries Power Limited (VIPL), wherein the Group has committed to purchase the entire output generated from VIPL's generating station located at Butibori. In terms of the PPA, the Group subject to a minimum guaranteed plant availability (determined on a yearly basis) is liable to pay subject to MERC approval a fixed monthly capacity charge and a variable charge towards the cost of fuel. VIPL was obligated to make the plant available for generation for a minimum period of time (determined on a yearly basis) and the option as regards the timing of availability was at the discretion of VIPL.

The Group on assessment of the above arrangement has concluded, that considering the Group does not have the right to direct the use of the asset, the above arrangement does not qualify to be lease under Ind AS 116.

During the year the Group has terminated the above PPA due to non-performance of obligations under the PPA by VIPL, such termination has been upheld by MERC and VIPL has preferred to appeal against the MERC order to the Appellate Tribunal of Electricity ("ATE").

3.9 Control over Subsidiary¹

During the year, the Group entered into an agreement with Qatar Investment Authority ("QIA"), through Qatar Holdings LLC ("QH"), pursuant to which it has disposed off 25.1% stake in Adani Electricity Mumbai Limited ("AEML") to QIA. The Group continues to own 74.9% ownership interest in AEML. The Group Management has assessed whether or not it has control over AEML. In making their judgement, the Group considered the powers it has to appoint and remove majority directors on the Board of AEML and the practical ability to direct the relevant activities of AEML, in light of the various rights available to both parties with the aforesaid agreement with QIA. Based on such assessment, the Group management has concluded that it has sufficient power to direct the relevant activities of AEML and therefore, AEML continues to be controlled by the Group and consolidated accordingly.

¹ Critical accounting judgments

² Key sources of estimation uncertainties

4.1 Standards issued but not effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April 2020.

4.2 Change in accounting policies and disclosures

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases, including Appendix A of Ind AS 17 Operating Leases-Incentives, Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and Appendix C of Ind AS 17, Determining whether an Arrangement contains a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

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Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Group is the lessor.

The Group adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1st April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1st April 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

The effect of adoption Ind AS 116 as at 1st April 2019 (increase/ (decrease) is, as follows:

Assets	₹ in Crores
Right- of- Use assets	170.22
Prepayments- Land	(58.32)
Prepayments- Way Leave rights	(8.41)
Total Assets	103.49
Liabilities	
Lease Liability Obligation	103.49
Total Liabilities	103.49

The Group has lease contracts for various items of plant, machinery and buildings. Before the adoption of Ind AS 116, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Refer to Note 2.20 (2) Leases for the accounting policy prior to 1st April 2019.

Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 2.20 (1) Leases for the accounting policy beginning 1st April 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

- **Leases previously classified as finance leases**

The Group did not have any finance leases.

- **Leases previously accounted for as operating leases**

The Group recognised right-of-use assets and lease liabilities for those leases previously classified

as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

Used a single discount rate to a portfolio of leases with reasonably similar characteristics.

Relied on its assessment of whether leases are onerous immediately before the date of initial application.

Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application.

Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Assets	₹ in Crores
Operating lease commitments as at 31 st March 2019	177.51
Weighted average incremental borrowing rate as at 1 st April 2019	9.32% to 13.25%
Discounted operating lease commitments at 1 st April 2019	103.49
Lease liabilities as at 1 st April 2019	103.49

Adoption of the above standard did not have material financial impact on the Financial Statements of the Group.

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5. Property, Plant and Equipment, Intangible Assets and Capital Work-in-Progress

5.1 Property, Plant and Equipment

Description of Assets	Tangible Assets										Intangible Assets			
	Land (Free hold)	Plant and Equipment	Furniture and Fixtures	Office Equipment	Computer Equipment	Vehicles	Railway Slidings	Distribution System	Jetties	Electrical Installation	Total	Computer Software	Transmission Licence	Total
I. Gross Carrying Amount														
Balance as at 1st April 2018	91.51	87.68	10,492.05	1.92	4.35	0.91	0.26	-	-	-	-	10,678.68	0.31	0.31
Additions	2.24	52.86	2,780.00	4.29	3.17	10.17	2.52	275.93	-	2.07	-	3,133.26	-	-
Disposals	(3.11)	(0.26)	(26.12)	-	-	(0.02)	(0.24)	-	-	(0.01)	-	(29.76)	-	-
Other Adjustment	-	-	-	-	-	-	-	-	-	-	-	(0.64)	-	(0.64)
Acquisitions through business combinations	2,636.87	810.88	3,790.18	13.24	5.53	16.29	11.75	6.70	4,332.48	1.23	14.32	11,639.47	7.50	981.62
Balance as at 31st March 2019	2,727.51	951.16	17,036.11	19.45	13.05	27.35	14.29	6.70	4,608.41	1.23	16.38	25,421.64	7.17	981.62
Additions	8.27	33.30	863.26	2.03	1.91	42.13	12.81	437.76	-	6.10	-	1,407.57	15.24	-
Disposals	(0.07)	-	(7.62)	-	(0.17)	(0.42)	(1.15)	-	-	(0.12)	-	(9.55)	-	-
Other Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2020	2,735.71	984.46	17,891.75	21.48	14.79	69.06	25.95	6.70	5,046.17	1.23	22.36	26,819.66	22.41	981.62
II. Accumulated depreciation														
Balance as at 1st April 2018	-	9.25	1,697.72	0.36	0.69	0.14	0.06	-	-	-	-	1,708.22	0.09	0.09
Depreciation and Amortisation Expense Eliminated on disposal of assets	-	22.39	734.30	2.94	2.82	9.88	2.16	0.26	100.69	0.05	3.18	878.67	3.48	3.48
Eliminated on disposal of assets	-	-	(1.80)	-	-	(0.02)	(0.07)	-	-	-	-	(1.89)	-	-
Balance as at 31st March 2019	-	31.64	2,430.22	3.30	3.51	10.00	2.15	0.26	100.69	0.05	3.18	2,585.00	3.57	3.57
Depreciation and Amortisation Expense Eliminated on disposal of assets	-	35.10	892.89	2.76	2.45	11.09	2.10	0.41	187.54	0.07	2.47	1,136.88	5.59	5.59
Eliminated on disposal of assets	-	-	(0.96)	-	(0.18)	(0.38)	(0.30)	-	-	-	(0.10)	(1.92)	-	-
Balance as at 31st March 2020	-	66.74	3,322.15	6.06	5.78	20.71	3.95	0.67	288.23	0.12	5.55	3,719.96	9.16	9.16
Net Carrying Value:														
As at 31st March 2019	2,727.51	919.52	14,605.89	16.15	9.54	17.35	12.14	6.44	4,507.72	1.18	13.20	22,836.64	3.60	981.62
As at 31st March 2020	2,735.71	917.72	14,569.60	15.42	9.01	48.35	22.00	6.03	4,757.94	1.11	16.81	23,099.70	13.25	981.62

Notes:

- The above Intangible Assets are other than internally generated Intangible Assets.
- Transmission Licence was acquired as a part of the business acquisition. The licence is valid for 25 years from 16th August 2011 to 15th August 2036. The licence may be further extended at minimal cost, considering similar extensions have happened in the past. Based on an analysis of all of the relevant factors, the licence is considered by the Company as having an indefinite useful life, as there is no foreseeable limit to the period over which the transmission business related assets are expected to generate net cash inflows for the Company. For charge created on aforesaid assets, refer note 23.

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5.2 Capital Work-in-Progress

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Opening balance	694.06	2,352.79
Expenditure incurred during the year	2,761.12	895.82
Employee benefit expenses	32.20	44.26
Borrowing cost	44.75	159.05
Other expenses	59.36	64.73
Addition due to acquisitions through business combinations	40.28	310.66
Less: Capitalised during the year	(1,422.81)	(3,133.25)
Closing Balance	2,208.96	694.06

For charge created on aforesaid assets, refer note 23.

5.3 Right of Use Assets

Particulars	Transition due to IND AS 116	(₹ in Crores)			
		Additions for the year ended 31 st March 2020	Disposal for the year ended 31 st March 2020	Depreciation for the year ended 31 st March 2020	Net carrying amount as at 31 st March 2020
Leasehold Land	97.44	1.58	-	5.78	93.24
Buildings	64.37	90.66	(25.12)	23.97	105.94
Way Leave Rights	8.41	31.75	-	1.80	38.36
Total	170.22	123.99	(25.12)	31.55	237.54

Particulars	(₹ in Crores)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Depreciation on Tangible Assets	1,136.88	878.67
Amortisation of Intangible Assets	5.59	3.48
Amortisation of Right of Use	31.55	-
Total	1,174.02	882.15

6 Investments

	Face Value	(₹ in Crores)	
		As at 31 st March 2020	As at 31 st March 2019
Non-Current investments			
Investment in Government or Trust Securities at amortised cost			
Contingency Reserve Investment (Quoted)			
8.12% Central Government of India-2020	100	-	76.89
8.27% Central Government of India-2020	100	-	15.39
7.68% Central Government of India-2023	100	-	15.34
7.68% Central Government of India-2023	100	-	13.30
Total		-	120.92
Aggregate book value of Quoted Investments		-	120.92
Aggregate market value of Quoted Investments		-	120.92

Notes to Consolidated Financial Statements

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7 Loans- At Amortised Cost

	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Housing loans to employee against Hypothecation of the property (Secured, considered good)	31.37	35.79
Loan to employees (Unsecured, considered good)	7.54	5.37
Total	38.91	41.16

8 Non-current Financial Assets- Others

(Unsecured, considered good)

	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Fixed Deposits with maturity over 12 months (Margin money with banks for guarantees issued)	59.75	16.64
Advance for Business Acquisition (Refer note 62(vi))	17.21	-
Financial Asset Under Service Concession Arrangement (SCA)	1,196.20	1,262.52
Balance with Government Authorities	-	6.95
Regulatory Assets other than Distribution	-	4.78
Derivative instruments designated in hedge accounting relationship	998.30	-
Security deposit- Considered Good	30.76	21.20
Security deposit- Considered doubtful	1.05	1.05
Balances held as Margin Money or security against borrowings	0.19	-
Total	2,303.46	1,313.14
Less: Provision For Doubtful Deposits	(1.05)	(1.05)
Total	2,302.41	1,312.09

9 Deferred tax assets (Net)

	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Deferred tax Assets	-	526.40
Deferred tax Liabilities	-	(423.82)
Net Deferred Tax Assets	Total	102.58

The significant component and classification of deferred tax assets and liabilities on account of timing differences are:

Particulars	(₹ in Crores)			
	2018-19			Closing Balance
	Opening Balance	Arising on Business Combination	Recognised in Profit & Loss	
Deferred Tax Assets in relation to				
Allowance for Doubtful Debts, Deposits and Advances	-	-	8.59	8.59
Provisions for employee benefits and others	-	177.84	10.22	188.06
Tax Losses	-	7.41	-	7.41
Unabsorbed Depreciation	-	-	322.34	322.34
	-	185.25	341.15	526.40
Deferred Tax liabilities in relation to				
Property, Plant & Equipment	-	7.80	416.02	423.82
	-	7.80	416.02	423.82
Deferred Tax Asset/(Liability) (Net)	-	177.45	(74.87)	102.58

For Deferred Tax Liabilities of FY 19-20 Refer note 28

Notes to Consolidated Financial Statements

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10 Income Tax Assets (Net)

	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Advance Income Tax	37.31	36.62
Total	37.31	36.62

11 Other Non-current Assets

(Unsecured)

	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
11.1 Capital advances		
- Considered Good	632.95	210.80
- Considered Doubtful	1.39	-
	634.34	210.80
Less : Expected Credit Loss on Capital Advances	(1.39)	-
	632.95	210.80
11.2 Prepaid Lease Rent and Prepaid Expenses	2.91	63.40
11.3 Deferred Assets (recoverable) / adjustable*	874.83	732.14
Total	1,510.69	1,006.34

* In respect of transmission businesses where tariff is determined on cost plus, return on equity and the income tax is a pass through, deferred tax recoverable from / adjustable against future tariff, when and to the extent such deferred tax becomes current tax in future periods, is presented separately, and is not offset against deferred tax in accordance with guidance given by Expert Advisory Committee of The Institute of Chartered Accountant of India (ICAI) in its recent opinion on a similar matter. Until previous year, it was presented under 'Tax Expense' in the Statement of Profit & Loss and adjusted in deferred tax balance in the Balance sheet, which has now been reclassified.

12 Inventories

(At lower of Cost and Net Realisable Value)

	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Fuel	332.83	178.30
Fuel -in Transit	87.19	50.72
Stores & spares	121.15	137.16
Total	541.17	366.18

During the year ended 31st March, 2020 ₹ 4.53 Crores (Previous Year ₹ Nil) was recognised as an expense for inventories carried at net realisable value.

For charge created on aforesaid assets, refer note 23.

13 Current Financial Assets - Investments

			(₹ in Crores)	
	Face Value of ₹ unless otherwise specified	No of Units*	As at 31 st March 2020	As at 31 st March 2019
Investment in Mutual Funds units at FVTPL (Unquoted)				
Contingency Reserve Investments				
SBI Liquid Fund Direct Growth Plan	1,000	5,95,254 (1,48,706.31)	185.07	43.55

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

13 Current Financial Assets – Investments (Contd..)

	Face Value of ₹ unless otherwise specified	No of Units*	(₹ in Crores)	
			As at 31 st March 2020	As at 31 st March 2019
SBI Premier Liquid Fund – Direct Growth Plan	1,000	1,43,513.49 (93,391.31)	44.62	27.36
Other Investments				
Birla Sun Life Cash Plus– Growth–Direct Plan	100	41,078.07 (-)	1.31	-
Nippon India Liquid Fund Direct Growth Plan	1,000	1,41,593.37 (-)	68.68	-
ICICI Prudential Overnight Fund Direct Plan	100	12,01,911.06 (-)	12.95	-
Kotak Liquid Fund – Direct Growth Plan	1,000	- (5,28,93.26)	-	20.02
Axis Liquid Fund–Direct Growth Plan	1,000	- (96,570.58)	-	20.02
Edelweiss Liquid Fund – Direct Growth Plan	1,000	- (74,974.18)	-	18.02
UTI Liquid Cash Plan – Direct Growth Plan	1,000	- (28,458.9)	-	8.71
Yes Liquid Fund – Direct Growth Plan	1,000	- (2,95,894.44)	-	30.03
ICICI Prudential Liquid Fund – Direct Growth Plan	100	1,301.26 (12,53,406.47)	0.04	34.65
Reliance Liquid Fund – Direct Growth Plan	1,000	- (10,465.91)	-	4.77
SBI Premier Liquid Fund – Direct Growth Plan	1,000	- (26,405.85)	-	7.73
		Total	312.67	214.86
Aggregate Carrying value of unquoted investments			312.67	214.86
Aggregate market value of unquoted investments			312.67	214.86

* Previous year units are in bracket

14 Trade Receivables

(Unsecured otherwise stated)

	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Unsecured, considered good	1,000.26	722.05
Credit Impaired	77.46	29.50
	1,077.72	751.55
Less : Expected Credit Loss	(77.46)	(29.50)
Total	1,000.26	722.05

Age of receivables

	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Within the Credit Period	637.64	494.92
Beyond Credit Period	362.62	227.13
	1,000.26	722.05

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

Movement in the allowance for doubtful trade receivables

	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Balance at the beginning of the year	29.50	2.46
Add: Provision made during the year	47.96	27.04
Balance at the end of the year	77.46	29.50

- (i) The Group holds security deposit amounting to ₹ 469.72 Crores (PY – ₹ 431.87 Crores) in respect of trade receivable of Distribution of power business.
- (ii) As at 31st March 2020 - ₹ 59.70 crore is due from Municipal Corporation of Greater Mumbai which represents Group's large customer who owes more than 5% of the total balance of trade receivables.
- (iii) The average credit period for the Group's receivables from its distribution (including street light maintenance) business is in the range of 15 to 30 days. No interest or delayed payment is charged on trade receivables till the due date. Thereafter, one time delayed payment charges at the rate of 1.25% & interest after 30 / 60 days from bill date is charged in the range of 12% to 15% per annum.
- (iv) In case of transmission business, regulator approved tariff is receivable from long-term transmission customers (LTTCS) and Discoms that are highly rated companies or government parties. Counterparty credit risk with respect to these receivables is very minimal.
- (v) The Group considers for impairment its receivables from customers in its Distribution of power business. The risk of recovery in these businesses is reduced to the extent of security deposits already collected and held as collaterals. Balance amount receivable over and above the deposit is assessed for expected credit loss allowances. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experienced and adjusted for forward-looking information. The expected credit loss allowance is based on ageing of the days the receivables are due.
- (vi) Above trade receivables are pledged as security with the Lenders against borrowings. (refer note 23)

15 Cash and Cash Equivalents

	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Balances with banks		
In current accounts	920.33	148.04
Fixed Deposits (with original maturity for three months or less) (Lodged against Bank guarantees and Debt service reserve account)	306.05	28.54
Cheque / Draft on Hand	6.19	9.06
Cash on Hand	0.42	2.61
Total	1,232.99	188.25

For charge created on aforesaid assets, refer note 23.

16 Bank Balance other than Cash and Cash Equivalents

	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Balances held as Margin Money	688.85	27.10
Fixed Deposit (with original maturity of more than 3 months)	375.00	486.21
Total	1,063.85	513.31

(Lodge against Bank Guarantee and Debt Service Reserve Account)

For charge created on aforesaid assets, refer note 23.

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

17 Current Financial Assets - Loans

(At Amortised Cost)

	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Housing loans to employee against Hypothecation of the property (Secured, considered good)	4.82	4.29
Loans to employees - Unsecured	3.58	4.46
Loans to Related Party Unsecured (Refer note 45)	1,623.00	-
Loans to Others - Unsecured (Unsecured, considered good)	777.88	-
Total	2,409.28	8.75

18 Current Financial Assets- Others

(Unsecured, considered good, unless otherwise stated)

	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Interest receivable	44.47	1.77
Unbilled Revenue	1,105.97	1,071.45
Financial Asset Under Service Concession Arrangement (SCA)	92.26	107.60
Security deposit	1.37	0.46
Derivative instruments designated in hedge accounting relationship	299.24	1.44
Other financial assets*	-	503.26
Total	1,543.31	1,685.98

* In respect of the standby charges dispute with Tata Power Company Limited (TPCL), Hon. Supreme Court vide its order dated 2nd May 2019 has dismissed the appeals filed by RINFRA (substituted with Adani Electricity Mumbai Limited (AEML) subsequently) / TPCL against the Appellate Tribunal of Electricity ("ATE") order dated 20th December 2006. Accordingly, the ATE order has reached finality. Based on the said ATE order and its interpretation thereof, AEML has booked a sum of ₹ 503.26 Crores (including interest) as amount recoverable from TPCL as at 31st March 2019 which is subject to TPCL confirmation. In terms of the Share Purchase Agreement entered into by the Company, AEML and RINFRA, the amount recoverable from TPCL is payable to RINFRA on receipt of the same from TPCL.

19 Other Current Assets

(Unsecured, considered good)

	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Advance to Suppliers	293.33	86.89
Balances with Government authorities	12.42	10.41
Prepaid Lease Rent	-	2.61
Prepaid Expenses	19.53	17.74
Advance to Employees	8.89	12.64
Total	334.17	130.29

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

20 Equity Share Capital

	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Authorised Share Capital		
1,50,00,00,000 (As at 31 st March 2019–1,50,00,00,000) equity shares of ₹ 10 each	1,500.00	1,500.00
Total	1,500.00	1,500.00
Issued, Subscribed and Fully paid-up equity shares		
1,09,98,10,083 (As at 31 st March 2019–1,09,98,10,083) fully paid up equity shares of ₹ 10 each	1,099.81	1,099.81
Total	1,099.81	1,099.81

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares	As at 31 st March 2020		As at 31 st March 2019	
	No. Shares	(₹ in Crores)	No. Shares	(₹ in Crores)
At the beginning of the year	1,09,98,10,083	1,099.81	1,09,98,10,083	1,099.81
Issued during the year	-	-	-	-
Outstanding at the end of the year	1,09,98,10,083	1,099.81	1,09,98,10,083	1,099.81

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend if proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Aggregate Number of shares issued other than cash, during the period of five years immediately preceding the reporting date:

Particulars	As at 31 st March 2020	As at 31 st March 2019
	No. Shares	No. Shares
Company has issued and allotted fully paid up equity shares of ₹ 10 each, to the equity shareholders of Adani Enterprise Limited ("AEL") pursuant to the Composite Scheme of Arrangement during FY 2015-16	1,09,98,10,083	1,09,98,10,083

d) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 st March 2020		As at 31 st March 2019	
	No. Shares	% holding in the class	No. Shares	% holding in the class
Equity shares of ₹ 10 each fully paid				
Mr. Gautam S. Adani / Mr. Rajesh S. Adani (On the behalf of S.B. Adani Family Trust)	62,11,97,910	56.48%	62,11,97,910	56.48%
Adani Tradeline LLP (Formerly known as Parsa Kente Rail Infra LLP)	9,94,91,719	9.05%	9,94,91,719	9.05%
Total	72,06,89,629	65.53%	72,06,89,629	65.53%

Notes to Consolidated Financial Statements

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21 Unsecured Perpetual Equity Instrument

	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Opening Balance	3,408.03	1,848.63
Add: Availed during the year	700.00	1,254.00
(Less): Repaid during the year	(1,209.62)	-
Add: Distribution on Unsecured Perpetual Equity Instrument (Net of Tax)	381.01	305.40
Closing Balance	3,279.42	3,408.03

Adani Transmission Limited (Parent Company) has issued Unsecured Perpetual Equity Instrument (the "Instrument") to Adani Infra (India) Limited. These Instrument are perpetual in nature with no maturity or redemption and are callable only at the option of the Parent company. The distribution on part of these Instrument i.e ₹ 2,579.42 Crores (As at 31.03.2019: ₹ 3408.03 Crores) outstanding as at March 31, 2020 are fixed at coupon rate of 11.80% p.a. compounded annually and for remaining amount i.e. ₹ 700.00 Crores (As at 31.03.2019: ₹ Nil) outstanding as at March 31, 2020 are without any coupon rate. The obligation of the Parent company to repay the outstanding amounts shall rank on a parri passu basis with the obligations of the Parent company to make payments/distributions in relation to any parity securities issued/ to be issued by the Parent company and be senior to the obligations of the Parent company to make payments/distributions in relation to preference and equity share capital and any other securities at par with preference and equity share capital of the Parent Company.

As this Instrument are perpetual in nature and ranked senior only to the Share Capital of the Parent Company and the Parent company does not have any redemption obligation, these are considered to be in the nature of equity instruments.

22 Other Equity

	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
a) Capital Reserve (Refer note (i) below)		
Closing Balance	208.87	208.87
b) Effective portion of cashflow Hedge (Refer note (ii) below)		
Opening Balance	(174.55)	(183.74)
Effective portion of cash flow hedge for the year	141.14	9.19
Closing Balance	(33.41)	(174.55)
c) General Reserve (Refer note (iii) below)	1,220.60	1,220.60
Total (c)	1,220.60	1,220.60
d) Capital Redemption Reserve (Refer note (iv) below)		
Opening Balance	1,891.88	801.25
Add: Transfer from Retained Earning on redemption of Optionally Convertible Redeemable Preference Shares	-	1,090.63
Closing Balance	1,891.88	1,891.88
e) Debenture Redemption Reserve (Refer note (v) below)		
Opening Balance	12.87	-
Transfer from Retained Earning	0.57	12.87
Closing Balance	13.44	12.87
f) Contingency Reserve (Refer note (vi) below)		
Opening Balance	203.17	-
Acquired on Business Combination	-	165.73
Addition during the year	37.37	37.44
Closing Balance	240.54	203.17

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

22 Other Equity (Contd..)

	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
g) Surplus in the Statement of Profit and Loss (Refer note (vii) below)		
Opening Balance	172.20	1,061.07
Add: Profit for the year	741.82	559.20
(Less): Other comprehensive income arising from remeasurement of Defined Benefit Plans	(13.21)	(1.42)
(Less): Distribution on Unsecured Perpetual Equity Instrument	(383.29)	(305.71)
(Less): Transfer to Contingency reserve	(36.52)	(37.44)
(Less): Transfer to Debenture Redemption Reserve	(0.57)	(12.87)
Add: Gain on sale of Equity Shares of Subsidiary Companies to non controlling interest (Refer Note 60)	97.38	-
(Less): Transfer from Retained Earning to Capital Redemption Reserve (CRR) on redemption of optionally convertible redeemable Preference Shares	-	(1,090.63)
Total (g)	577.81	172.20
Total (a+b+c+d+e+f+g)	4,119.73	3,535.04

Notes:

- i) Capital Reserve of ₹ 11.47 Crores was created due to acquisition of 100% stake in Maru Transmission Service Company Limited and 100% stake in Aravali Transmission Service Company Limited in the financial year 2016-17. Capital reserve of ₹ 193.50 Crores have been created on issuance of Compulsory Convertible Preference Shares (CCPS) by wholly-owned subsidiary companies namely Western Transco Power Limited and Western Transmission (Gujarat) Limited in the financial year 2017-18.
- ii) The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.
- iii) During the financial year 2015-16, General reserve of ₹ 1,220.60 Crores was created pursuant to the demerger of transmission undertaking of Adani Enterprises Limited into the Company.
- iv) Capital redemption reserve of ₹ Nil (FY 2018-19 - ₹ 1,090.63 Crores) was created due to transfer on redemption of optionally convertible redeemable preference shares from retained earnings.
- v) The Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the Company to create DRR out of profits of the Company available for payment of dividend. The DRR is created over the life of debentures out of retained earnings.
- vi) As per the provisions of MERC MYT Regulations read with Tariff orders passed by MERC, the Group being a Distribution and Transmission Licensee, makes an appropriation to the Contingency Reserve fund to meet with certain exigencies. Investments in Bonds issued by Government of India and Mutual Funds have been made against such reserve.
- vii) Retained earnings represents the amount that can be distributed by the Company as dividends considering the requirements of the Companies Act, 2013. No dividend are distributed during the year by the Company.

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

23 Non-Current Financial Liabilities – Borrowings

(₹ in Crores)

	Non-current		Current	
	As at 31 st March 2020	As at 31 st March 2019	As at 31 st March 2020	As at 31 st March 2019
Secured				
Bonds				
3.949% USD Bonds	7,488.22	-	-	-
4.00% USD Bonds	3,725.85	3,392.62	-	-
4.25% USD Bonds	3,625.18	-	129.90	-
5.20% US private Placement	2,909.97	-	87.92	-
9.10% INR Bonds (Masala Bond)	-	272.88	-	97.67
Shareholders Affiliated Debts	2,095.22	-	-	-
Term Loans				
From Banks				
Ruppee loan	550.89	9,310.61	84.60	1,019.24
Foreign currency loan	687.72	185.87	11.06	10.32
From Financial Institutions	1,019.33	1,321.26	20.38	29.02
Trade Credits & Buyers Credit				
From Banks	65.21	170.96	-	-
Non-Convertible Debentures				
8.46% Non-Convertible Debenture	122.06	-	11.51	-
9.01% Non-Convertible Debenture	-	139.08	-	12.31
9.25% Non-Convertible Debenture	-	-	-	149.98
9.35% Non-Convertible Debenture	-	363.70	164.94	-
9.45% Non-Convertible Debenture	-	149.17	-	-
9.85% Non-Convertible Debenture	-	249.72	209.96	881.56
10.25% Non-Convertible Debenture	-	748.24	-	-
Total	22,289.65	16,304.11	720.27	2,200.10
Amount disclosed under the head "Other current financial liabilities" (Refer Note:31)	-	-	(720.27)	(2,200.10)
Net amount	22,289.65	16,304.11	-	-

Notes

- (A) During the year, AEML has raised foreign currency borrowings by way of issue of Senior Secured Notes- USD 1 billion, Shareholders Affiliated Debts- USD 282 Million, External Commercial Borrowing- USD 70 Million. The proceeds from these borrowings were/will be utilized to retire existing Debts, future capital expenditure and general corporate borrowings. The said borrowings have been hedged using various hedging instruments.
- (B) During the year, wholly owned subsidiaries of Adani Transmission Limited (ATL) (Six Subsidiaries as issuer and one subsidiary as obligor) has completed US private placement transaction by issuance of USD 400 Million 5.20% notes to eligible International Investors maturing in 2050. The said borrowings have been hedged using various hedging instruments.
- (C) During the year, ATL has completed issuance of USD 500 million 4.25% Foreign Currency Bonds maturing in 2036. Servicing of the bonds will be supported by an

obligor group that includes ATL and two of its wholly-owned subsidiaries, MEGPTCL and ATIL. ATL were/will use the bond's proceeds to refinance its existing INR debt and Masala bonds. The said borrowings have been hedged using various hedging instruments.

Security

- 1 3.949% USD Bond and Rupee term loan of ₹ 600.59 Crores are secured by
 - a first ranking mortgage of certain specific immovable properties of the AEML.
 - b negative lien over other immovable properties of the Borrower, excluding the Identified Immovable Properties of AEML
 - c first charge by way of hypothecation of all the movable assets of the Project, both present and future of AEML
 - d first pari-passu charge on all book debts, operating cash flows, receivables (excluding

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

- past period Regulatory Assets; post distribution cash flows and debenture liquidity reserve), commissions or revenues whatsoever arising out of the Project, both present and future of AEML
- e first pari-passu charge on the Accounts under the Project Accounts Deed (excluding the Excluded Accounts) and amounts lying to the credit of such Accounts, both present and future of AEML
 - f first pari-passu charge/ assignment in relation to the MERC Licenses of the Project, subject to approval from MERC of AEML
 - g pledge over 100% of the entire paid up equity and preference share capital of AEML
- As at the reporting date, it is in the process of creation of security in favour of the lenders. The Security Interest to be created on the Security as aforesaid shall rank pari passu inter se the Senior Secured Creditors.
- 2 4.00% USD Bonds, 4.25% USD Bonds and Non-Convertible Debentures are secured by way of first ranking pari passu charge in favour of the Security trustee (for the benefit of the Bond/ Debenture holders):
 - a. mortgage of land situated at Sanand.
 - b. hypothecation of all the assets (movable and immovable) including current assets of the respective Companies.
 - c. pledge over 100% equity shares of Adani Transmission India Limited (ATIL) and Maharashtra Eastern Grid Power Transmission Company Limited (MEGPTCL), both are wholly owned subsidiaries of the Company.
 - d. accounts and receivables of ATIL and MEGPTCL and also the operating cash flows, book debts, loans and advances, commissions, dividends, interest income, revenues present and future of ATIL and MEGPTCL
 - 3 5.20% US private Placement Notes are issued by six (6) transmission companies. The Notes are secured/to be secured by first ranking charge on receivables, on all immovable and movable assets, charge or assignment of rights under Transmission Service Agreement and other project documents, charge or assignment of rights and/or designation of the Security Trustee as loss payee under each insurance contract in respect of Project. The Notes are also secured by way of pledge over 100% of shares of the Seven (7) companies held by Holding Company, i.e. Adani Transmission Limited.
 - 4 Rupee Term Loans aggregating ₹ 1,051.04 Crores (31st March 2019 ₹ 1,482.30 Crores), Foreign Currency Loans aggregating ₹ 200.10 Crores (31st March 2019: ₹ 199.00 Crores), Rupee Term Loan from Financial Institution of ₹ 548.51 Crores (31st March 2019 ₹ 1,350.28 Crores) and Letter of credits/Buyers Credit aggregating ₹ 65.21 Crores (31st March 2019 ₹ 170.96 Crores) availed by the Group from various banks and financial institutions are secured by a pari passu charge on all present and future movable and immovable assets, receivables, project documentation, cash flows, licences, insurance contracts and approval. Respective companies shares are pledged.
 - 5 6.3645% Shareholders Affiliated Debts are secured by First-ranking fixed charge over all its present and future right, title, benefit and interest in the Excluded Loan Accounts and first-ranking floating charge over all of its present and future right, title, benefit and interest in the equity distribution account
 - 6 In respect of loans outstanding as at 31st March 2019 Rupee Term Loans aggregating ₹ 8,715.79 Crores (Including Short term working capital loan of ₹ 389.49 Crores and current maturities of ₹ 267.10 Crores) and short term Buyers Credit aggregating ₹ 56.88 Crores from banks were secured by way of:-
 - a. First pari-passu charge by way of Mortgage of 33 immovable properties of Adani Electricity Mumbai Limited (AEML)
 - b. First pari-passu charge by way of hypothecation over the movable assets, both present and future, of the Adani Electricity Mumbai Limited (AEML)
 - c. First charge by way of assignment of all documents, permits, approvals, rights, titles, interest, benefits, claims, insurance, demands, clearances etc. pertaining to the business of the Group by way of Hypothecation Deed / Indenture of Mortgage, both present and future of the Adani Electricity Mumbai Limited (AEML).
 - d. First pari-passu charge on all book debts, operating cash flows, receivables (excluding Regulatory Assets and the bank accounts where such Regulatory Assets are deposited), commissions or revenues whatsoever arising both present and future of the Adani Electricity Mumbai Limited (AEML)
 - e. First pari-passu charge on all present and future bank accounts including the Trust and Retention accounts (excluding the Escrow bank account wherein the Regulatory Assets recovered are deposited).
 - f. First charge by way of assignment of transmission and distribution license of the Adani Electricity Mumbai Limited (AEML)

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

- g. Pledge over 51% of the entire paid up share capital of Adani Electricity Mumbai Limited (AEML)
- h. Negative Lien Undertaking (by way of NDU) in respect of the 90 freehold, 115 leasehold immovable properties and 2 Right of way properties, including future immovable properties.
- 7 ₹ 700 Crores Rupee Term Loan (31st March, 2019 ₹ 778.99 Crores) (Including short term borrowing of ₹ 78.99 Crores)(rate of interest in the range of 9.20% to 9.75% reset on monthly basis) (including current maturities of ₹ 700 Crores) from Banks against Regulatory Assets to be recovered, is secured by way of (in respect of Previous Years)
- a. First ranking pari-passu charge on identified Approved Regulatory Asset / Revenue Gap as approved by Maharashtra State Electricity Regulatory Commission (MERC) for FY 2019-20 as per MYT order dated September 12, 2018 of Adani Electricity Mumbai Limited (AEML).
- b. First ranking pari-passu charge on Collection accounts opened with designated Banks of Adani Electricity Mumbai Limited (AEML).
- 8 Cash Credits in Rupee terms & Working Capital Loan from Banks aggregating to ₹ 173.82 Crore (P.Y. - ₹ 158.67 Crore) & ₹ 24.00 Crore (P.Y. ₹ Nil) respectively, is secured by first charge on receivables and on immovable and movable assets created out of project on pari-passu basis.
- Terms of Repayment**
- 9 INR Bonds (Masala Bonds) aggregating ₹ Nil (31st March, 2019 ₹ 375.00 Crores) were redeemable by quarterly structured payments from financial year 2018 to financial year 2022 and this have been repaid in full.
- 10 4.00%, 500 Million USD Bonds aggregating ₹ 3,783.25 Crores (31st March, 2019- ₹ 3,457.75 Crores) are redeemable by bullet payment in FY 2026.
- 11 4.25% 500 Million USD Bonds aggregating ₹ 3,783.25 Crores (31st March, 2019- Nil) are redeemable by Half yearly payment starts from May 2020 to May 2036.
- 12 INR Non-Convertible Debentures (NCDs), ranging from 8.46% to 9.85%, aggregating to ₹ 509.41 Crores, (31st March, 2019 - ₹ 2,698.90 Crores) are redeemable at different maturities its tenure ending on year 2034.
- 13 5.20%, 400 Million USD Denominated Notes aggregating ₹ 3,026.60 crores. (31st March, 2019- ₹ Nil Crores) which has a semi-annual repayment schedule with first repayment in the month of Sep-2020 and semi-annually then after over the period of its tenure ending March-2050.
- 14 Letter of credits & Buyers Credit (Foreign and Inland) from bank of ₹ 65.21 Crores (31st March, 2019 ₹ 170.96 Crores) carry interest rates ranging from 8.15% to 8.75% p.a. and (a) ₹ 40.39 Crores will be converted in to Rupee term loan as per the terms on the day of maturity or will be repaid and (b) ₹ 24.82 Crores will be converted in to Rupee term loan as per the terms on the day of maturity or will be repaid and the repayment of RTL will start from Mar-2022 ends on Mar 2041
- 15 Rupee term loans from Banks of ₹ 548.51 Crores (31st March, 2019 ₹ 10,508.79 Crores) and Rupee Term Loan from Financial Institution of ₹ 1,051.04 Crores (31st March, 2019 ₹ 1,361.29 Crores) carry interest rates ranging from 8.25% to 10.90%. The loan is repayable at different maturities ending on FY 2050-51.
- 16 Foreign Currency loan (ECB Loan) from bank aggregating ₹ 200.10 Crores (31st March 2019: ₹ 199.00 Crores) carries an Interest @ 1.85% per annum. The entire FC loan is repayable in 19 quarterly instalments started from December 2017.
- 17 3.949% Bond is repayable by way of bullet payment in February 2030 with an obligation to prepay the debt on occurrence of certain events. The Group can voluntarily prepay the Bond on payment of premium.
- 18 6.3645% Shareholders Affiliated Debts are repayable commencing from February 2027 to February 2040 with an obligation to prepay the debt on occurrence of certain events. The Company can voluntarily prepay the debt on payment of premium.
- 19 3.9466% Term Loan from Banks amounting to ₹ 500.59 Crores (31st March, 2019 Nil) are repayable by way of bullet payment in March 2023 with an obligation to prepay the debt on occurrence of certain events. The Group can voluntarily prepay the Term Loan either in full or part.
- 20 8.50% Rupee term loan amounting to ₹ 100 Crores (31st March, 2019 Nil) from Banks are repayable by way of three equal annual instalments of ₹ 33.33 Crores starting from March 2021.

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

24 Non-Current Trade Payable

(₹ in Crores)

	As at 31 st March 2020	As at 31 st March 2019
(A) total outstanding dues of micro enterprises and small enterprises; and	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	29.35	21.80
Total	29.35	21.80

Refer note: 30 (for Micro and Small Enterprises disclosure)

25 Non-Current Financial Liabilities – Others

(₹ in Crores)

	As at 31 st March 2020	As at 31 st March 2019
Payable on purchase of Property, Plant and Equipment	228.31	45.52
Derivative instruments designated in hedge accounting relationship	82.17	137.44
Lease Liability Obligation	109.38	-
Total	419.86	182.96

26 Other Non-Current Liabilities

(₹ in Crores)

	As at 31 st March 2020	As at 31 st March 2019
Deferred Revenue– Service Line Contributions from Consumers	226.90	224.82
Advance from Customer	51.12	-
Total	278.02	224.82

27 Provisions

(₹ in Crores)

	Non-current		Current	
	As at 31 st March 2020	As at 31 st March 2019	As at 31 st March 2020	As at 31 st March 2019
Provision for Gratuity (Refer note 54)	131.66	115.21	31.99	29.93
Provision for Compensated Absences	108.92	331.86	27.76	33.62
Provision for Other Employment Benefits	19.35	-	2.65	-
Provision for Stamp Duty	15.65	-	-	-
Total	275.58	447.07	62.40	63.55

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

28 Deferred Tax Liabilities (net)

	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Deferred Tax Liabilities		
Mark to Market Gain on Mutual Funds	(0.90)	(0.29)
Difference between book base and tax base of property, plant and equipment and SCA	(2,178.41)	(1,038.45)
Deferred Tax Liabilities	(2,179.31)	(1,038.74)
Deferred Tax Assets		
Provision disallowed	7.00	-
Interest on Lease Liabilities	0.02	-
Unabsorbed Depreciation	1,108.76	271.49
Tax Losses	20.92	-
Hedge Reserve	2.76	-
Deferred Tax Assets	1,139.46	271.49
Deferred Tax Assets/(Liabilities)	(1,039.85)	(767.25)
Deferred Tax Assets/(Liabilities)	1,039.85	767.25
Less:- MAT Credit Entitlement	(68.48)	(19.58)
Net deferred tax liabilities	Total 971.37	747.67

Regulators tariff norms provide the recovery of Income Tax from the beneficiaries by way of grossing up the return on equity based on effective tax rate for the financial year shall be based on the actual tax paid during the year on the transmission income. Accordingly, deferred tax liability provided during the year which is fully recoverable from beneficiaries and known as "deferred assets recoverable / adjustable". The same will be recovered when the related deferred tax liability forms a part of current tax.

(a) Movement in deferred tax assets (net) for the Financial Year 2019-20

	(₹ in Crores)			
Particulars	Opening Balance as at 1 st April 2019	Recognised in profit and loss	Recognised in OCI	Closing Balance as at 31 st March 2020
Tax effect of items constituting deferred tax liabilities:				
Mark to Market gain on Mutual Funds	(0.29)	(0.61)	-	(0.90)
Difference between book base and tax base of property, plant and equipment and SCA	(1,462.27)	(716.14)	-	(2,178.41)
Total	(1,462.56)	(716.75)	-	(2,179.31)
Tax effect of items constituting deferred tax assets:				
Provision disallowed	188.06	(181.06)	-	7.00
Interest on Lease Liabilities	-	0.02	-	0.02
Unabsorbed Depreciation	593.83	514.93	-	1,108.76
Allowance for Doubtful Debts, Deposits and Advances	8.59	(8.59)	-	-
Tax Losses	7.41	13.51	-	20.92
Hedge Reserve	-	-	2.76	2.76
Others	-	(0.04)	-	-
Total	797.89	338.77	2.76	1,139.46
MAT credit entitlement	19.58	48.90	-	68.48
Net Deferred Tax Asset / (Liabilities)	(645.09)	(329.08)	2.76	(971.37)

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

28 Deferred Tax Liabilities (net) (Contd..)

(b) Movement in deferred tax assets (net) for the Financial Year 2018-19

(₹ in Crores)

Particulars	Opening Balance as at 1 st April 2018	Recognised in profit and loss	Recognised in OCI	Closing Balance as at 31 st March 2019
Tax effect of items constituting deferred tax Liabilities:				
Mark to Market gain on Mutual Funds	-	(0.29)	-	(0.29)
Difference between book base and tax base of property, plant and equipments and SCA	(794.38)	(244.07)	-	(1,038.45)
Total	(794.38)	(244.36)	-	(1,038.74)
Tax effect of items constituting deferred tax assets:				
Unabsorbed Depreciation	155.33	116.16	-	271.49
Total	155.33	116.16	-	271.49
MAT credit entitlement	-	19.58	-	19.58
Net Deferred Tax Liabilities	(639.05)	(108.62)	-	(747.67)

29 Current Financial Liabilities - Borrowings

(₹ in Crores)

	As at 31 st March 2020	As at 31 st March 2019
Secured Borrowings		
Cash Credit/ Working Capital Short term Loan		
From Banks	1,036.83	627.16
Buyers credit		
From Banks	133.27	56.88
Total (a)	1,170.10	684.04
Unsecured Borrowings		
From Banks	54.67	100.00
From Related Parties	-	35.79
Commercial Papers	-	812.95
Other Short-term loan payable on demand	11.04	-
Total (b)	65.71	948.74
Total (a+b)	1,235.81	1,632.78

- (i) For Short Term Loan, Buyers Credit and Working capital loans - Please Refer No 23 (6), 23 (7) & 23 (8)
- (ii) The rate of interest for Secured / Unsecured loans (including Buyers Credit and Working capital loans) from banks ranges from 2.13 % to 9.90 %

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

30 Trade Payables

	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Trade Payables		
Micro and Small Enterprises	49.93	0.64
Other than Micro and Small Enterprises	1,701.58	1,236.28
Total	1,751.51	1,236.92

The Disclosure in respect of the amounts payable to Micro and Small Enterprises have been made in the Consolidated Financial Statements based on the information received and available with the Group. The Group has not received any claim for interest from any supplier as at the balance sheet date. These facts have been relied upon by the auditors.

	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
(a) the principal amount remaining unpaid to any supplier at the end of each accounting year	49.93	0.64
(b) Interest due on principal amount remaining unpaid to any supplier at the end of each accounting year	0.54	0.00
(c) the amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(d) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	0.54	0.18
(e) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.54	0.18
(f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	0.54	0.18

The above information has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the auditors.

31 Current Financial Liabilities – Others

	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Current maturities of long-term borrowings (Secured) (Refer Note: 23)	720.27	2,200.10
Interest accrued but not due on borrowings	202.96	255.75
Payable on purchase of Property, Plant and Equipment	491.65	151.90
Derivative Instruments designated in hedge accounting relationship	24.37	106.80
Security Deposits from Consumers, Customers & Vendors	478.79	435.85
Deferred Revenue – Service Line Contributions from Consumers	9.54	-
Lease Liability Obligations	35.97	-
Other Payables	18.96	60.87
Total	1,982.51	3,211.27

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

32 Other Current Liabilities

	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Statutory liabilities	210.14	181.46
Advance from Customers	87.39	74.39
Other Payables	11.89	2.61
Total	309.42	258.46

33 Current Tax Liabilities

	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Current Tax	40.29	15.19
Total	40.29	15.19

34 Revenue from Operations - From Generation, Transmission and Distribution Business

	(₹ in Crores)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
a) Income from sale of Power and Transmission Charges		
Income from sale of Power and Transmission Charges (net) (refer note 59)	10,016.78	6,168.09
Income under Service Concession Arrangements (SCA)	155.88	155.86
Total (a)	10,172.66	6,323.95
b) Other Operating Revenue		
Street Light Maintenance Charges	105.24	62.14
Cross subsidy Surcharge	160.23	58.65
Sale of Coal Rejects / Fly Ash	21.15	-
Amortisation of Service Line Contribution	8.49	7.42
Others	23.58	10.94
Total (b)	318.69	139.15
Total (a+b)	10,491.35	6,463.10

35 Revenue from Operations - From Trading Business

	(₹ in Crores)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Sale of Traded Goods	924.61	842.35
Total	924.61	842.35

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

36 Other Income

	(₹ in Crores)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Interest Income		
Bank	34.06	27.25
Others	153.15	151.77
Gain on Sale/Fair Value of Current Investments measured at FVTPL	47.95	12.24
Gain on Sale/Fair Value of Current Investments measured at FVTPL - Contingency Reserve Fund	13.58	3.32
Sale of Scrap	0.14	0.19
Gain on Extinguishment of Financial Liabilities	-	55.39
Bad debt recovery	8.85	3.09
Unclaimed liabilities / Excess provision written back	0.26	1.01
Miscellaneous Income	7.34	1.09
Total	265.33	255.35

37 Purchase of Stock-in-Trade

	(₹ in Crores)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Purchase of Stock-in-Trade	924.21	838.94
Total	924.21	838.94

38 Employee Benefits Expenses

	(₹ in Crores)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Salaries, Wages and Bonus	749.80	432.20
Contribution to provident fund and other funds	64.13	36.84
Contribution to Gratuity fund	44.08	62.60
Staff Welfare Expenses	115.23	55.28
Total	973.24	586.92

39 Finance costs

	(₹ in Crores)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Interest on Loans & Debentures	1,773.94	1,072.62
Interest on Trade Credits	103.04	85.26
Interest on Intercompany Deposit	12.24	14.11
Interest on Lease Obligation	11.97	-
Bank Charges & Other Borrowing Costs	75.38	20.86
Security Deposits From Consumer at amortised cost	42.42	22.04
Interest - Hedging Cost	276.47	175.78
Foreign Exchange Fluctuation Gain(net)-Borrowings*	(56.97)	0.36
Total	2,238.49	1,391.03

* Note: Including Mark to Market gain of ₹ 1,249.88 Crores (P.Y. ₹ 198.64 Crores) on Derivative Instruments designated in hedge accounting relationship.

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

40 Other Expenses

	(₹ in Crores)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Stores and Spares	65.70	41.03
Transmission Charges	403.16	209.07
Construction Cost Under Service Concession Arrangements	-	14.20
Repairs and Maintenance - Plant and Equipment	347.74	197.41
Repairs and Maintenance -Building	14.19	8.26
Repairs and Maintenance - Others	8.76	9.80
Rent	-	33.41
Short Term Lease Rental*	20.65	-
Rates and Taxes	10.80	12.56
Legal & Professional Expenses	164.92	141.21
Payment to Auditors (including component auditors)	2.50	1.97
Travelling & Conveyance Expenses	45.65	22.46
Insurance Expenses	22.82	13.71
Write downs in Inventory value	4.53	-
Provision for Stamp Duty Expense	22.60	-
Bad Debt Written Off	0.56	-
Foreign Exchange Fluctuation Loss	12.53	1.50
Corporate Social Responsibility expenses (Refer note 55)	18.14	17.91
Security Charges	35.30	20.09
Expected Credit Loss- Doubtful Debts,Advances,Depoists	43.62	12.20
Loss on sale of Property, Plant and Equipment	4.58	15.68
Miscellaneous Expenses	85.77	53.77
Total	1,334.52	826.24

*Lease Rentals in respect of low value assets is immaterial.

41 Income Tax

	(₹ in Crores)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Current Tax:		
In respect of current year	213.72	191.87
In respect of Previous year	0.08	-
Deferred Tax	329.08	183.49
Total	542.88	375.36

Tax recognised in other comprehensive income

	(₹ in Crores)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Remeasurement of Defined Benefit Plans		
Total income tax recognised in other comprehensive income	3.61	-
Effective portion of gains and losses on designated portion of hedging instruments in a cash flow hedge		
Tax relating to items that will be reclassified to Profit or Loss	2.76	-
Total	6.37	-

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will be reclassified to statement of profit and loss	2.76	-
Items that will not be reclassified to statement of profit and loss	3.61	-
Total	6.37	-

Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ("Ordinance") issued by Ministry of Law and Justice (Legislative Department) on 20th September 2019 effective from 01st April 2019, domestic companies have a non-reversible option to pay Corporate income tax rate at 22% plus applicable surcharge and cess ("New tax rate") subject to certain conditions. Based on the assessment, the Group has chosen to exercise the option of New tax rate for certain companies. Accordingly where it has chosen to exercise New tax rate, the Companies have made the provision for current tax and deferred tax at the rate of 25.17%. For the rest of the Companies, the Group would evaluate its option in the future based on business developments.

	For the year ended 31 st March 2020	For the year ended 31 st March 2019
	(₹ in Crores)	
Accounting profit before tax	1,106.68	840.24
Income tax expense at tax rates applicable to individual entities	397.40	293.61
Tax Effect of :		
Income and Expenses not allowed under Income Tax		
i) Depreciation allowable on assets (difference between Income tax Act and Companies Act)	115.50	(22.40)
ii) Non deductible Expenses	26.41	7.31
iii) Current year Losses for which no Deferred Tax Asset is created	(166.73)	(91.79)
iv) Adjustments in respect of current income tax of previous year	-	26.03
v) Recognition of tax losses	5.28	-
vi) MAT Credit not recognised	165.28	162.82
vii) 80IA claims	(91.77)	-
viii) Deferred Tax Assets Written off	95.98	-
ix) Others (Includes Tax at different rate)	(4.47)	(0.22)
Gross Tax	542.88	375.36
Tax provisions:		
Current Tax: In respect of current year	213.72	191.87
Current Tax: In respect of Previous year	0.08	-
Net (DTL) / DTA recognised during the year	376.06	203.07
MAT Credit entitlement	(46.98)	(19.58)
Income tax recognised in statement of profit and loss at effective rate	542.88	375.36

Unrecognised deductible temporary differences, unused tax losses and unused tax credits

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following :

	For the year ended 31 st March 2020	For the year ended 31 st March 2019
	(₹ in Crores)	
Unused tax credits*	875.47	714.76
Unused tax losses (Revenue in nature) and Unabsorbed depreciation	767.89	389.83
	1,643.36	1,104.59

*Expiry date : Range from FY 2028 -29 to FY 2034-35

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

The Parent Company and certain subsidiary companies have carried forward unabsorbed depreciation aggregating ₹ 3,586.48 crore (Previous year ₹ 2,014.16 crore) under the Income Tax Act, 1961 for which there is no expiry date of its tax credit utilisation by the respective entities. Further, the Parent Company and certain subsidiary companies have carried forward losses aggregating ₹ 767.95 crore (previous year ₹ 390.04 crore) under the Income Tax Act, 1961, which gets expired within 8 years of the respective year. The carried forward losses will get expired mainly during the year 2022-23 to 2027-28.

Deferred tax assets has not been recognised in respect of the unabsorbed depreciation and unabsorbed losses of Adani Transmission Limited (ATL) aggregating to ₹ 767.89 crore (Previous year ₹ 389.83 crore) as they may not be used fully against taxable profits of ATL on standalone basis in near future or other evidence of recoverability in the near future.

42 Earnings per share (EPS)

		For the year ended 31 st March 2020	For the year ended 31 st March 2019
A After net Movement in Regulatory Deferral Balance			
Profit after tax	(₹ in Crores)	706.49	559.20
Less: Distribution on Unsecured perpetual Equity Instrument	(₹ in Crores)	(383.29)	(305.71)
Net Profit attributable to Equity Shareholders including Regulatory income/(expense)	(₹ in Crores)	323.20	253.49
Weighted average number of equity shares outstanding during the year	No	1,09,98,10,083	1,09,98,10,083
Nominal Value of equity share	₹	10	10
Basic / Diluted Earnings per Equity Share (Face Value of ₹ 10 each) after net Movement in Regulatory Deferral Balance	₹	2.94	2.30
B Before net Movement in Regulatory Deferral Balance			
Profit after tax	(₹ in Crores)	706.49	559.20
Less: Distribution on Unsecured perpetual Equity Instrument	(₹ in Crores)	(383.29)	(305.71)
Add/(Less): Regulatory Income / (expense) (net)	(₹ in Crores)	192.10	(95.84)
Net Profit attributable to Equity Shareholders excluding Regulatory income/(expense)	(₹ in Crores)	515.30	157.65
Weighted average number of equity shares outstanding during the year	No	1,09,98,10,083	1,09,98,10,083
Nominal Value of equity share	₹	10	10
Basic / Diluted Earnings per Equity Share (Face Value of ₹ 10 each) before net Movement in Regulatory Deferral Balance	₹	4.69	1.43

43 Contingent liabilities and Commitments

(i) Contingent liabilities:

	As at 31 st March 2020	As at 31 st March 2019
	(₹ in Crores)	
(a) Direct tax	1.06	1.01
(b) Vat and Entry tax	9.48	9.48
(c) Demand disputed by the Group relating to Service tax on street light Maintenance, wheeling charges and cross subsidy surcharges – (Refer note 1)	353.55	353.55
(d) Take or Pay dispute with The Tata Power Company Ltd (TPCL). (Refer Note 2)	-	323.87
(e) Claims raised by the Government authorities towards unearned income arising on alleged transfer of certain land parcels. (Refer Note 1)	127.65	127.65
(f) Demand towards fixed charges payable in respect of power drawn from the state pool (Refer Note 3)	99.68	124.60
(g) Claims raised by Vidarbha Industries Power Limited (VIPL) in respect of increase in fuel cost (Refer Note 1)	1,381.28	1,381.28
(h) Way Leave fees claims disputed by the Group relating to rates charged (Refer Note 1)	28.43	20.60

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

(i) Contingent liabilities: (Contd..)

	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
(i) Property related disputes (Refer Note 1)	2.59	2.59
(j) Other claims against the Group not acknowledged as debts	2.12	2.12
(k) Towards the payment of Stamp duty under Gujarat Stamp Act, 1958 pursuant to the scheme of arrangement in the nature of Demerger of transmission division of Adani Power Limited and Adani Power Maharashtra Limited into Adani Transmission (India) Limited. An application under Section 53(1) of Gujarat Stamp Act, 1958, <i>inter alia</i> , challenging the said order dated 25.7.2018 passed by the Collector and Additional Superintendent of Stamp at Gandhinagar has been filed with the Chief Controlling Revenue Authority (CCRA) and the matter is sub-judice.	-	27.82
(l) Claims raised by the Maharashtra State Electricity Transmission Company Limited (MSETCL) towards additional cost for the assets constructed in earlier years.	31.31	-
	2,037.15	2,374.57

1 In terms of the Share Purchase Agreement entered into by the Group with RINFRA, in the event the above matters are decided against the AEML and are not recoverable from the consumers, the same would be recovered from RINFRA.

2 Pursuant to the order passed by MERC dated December 12, 2007, in case No. 7 of 2002, TPCL has claimed an amount of ₹ 323.87 Crore towards the following:

- a. Difference in the energy charge for energy supplied by TPCL at 220 kV interconnection for the period March 2001 to May 2004 along with interest at 24% per annum up to December 31, 2007, and
- b. Minimum off-take charges for energy for the years 1998-99 to 1999-2000 along with interest at 24% per annum up to December 31, 2007.

In an appeal filed by AEML, ATE held that the amount in the matter (a) above is payable by AEML along with interest at State Bank of India prime lending rate for short term borrowings. The matter (b) was remanded to MERC for redetermination. AEML had filed an appeal against the said order before the Supreme Court, which while admitting the appeal, had by way of interim order restrained TPC from taking any coercive action in respect of the matter stated in (a) above and TPCL had also filed an appeal against the said order. AEML has complied with the interim order directions of depositing ₹ 25 Crore with the Registrar of Supreme Court which has been withdrawn by TPCL and has provided a Bank Guarantee of ₹ 9.98 Crore.

During the year, Supreme Court has issued its final order in respect of the above matter and consequent to the same, AEML has paid a sum ₹ 41.92 crores (including interest of ₹ 31.94 crores and net of deposit of ₹ 25 crores) to TPCL towards difference in Energy Charges, further a sum of ₹ 40.49 crores has been paid by the AEML to TPCL towards its claim of Take or Pay charges.

The above amounts are recoverable from the consumers as part of the truing up exercise.

3 MERC vide its order dated 26 September, 2019 has upheld the demand raised by MSEDCL on AEML of ₹ 124.60 crores, towards payment of fixed cost in respect of power procured from the State pool during the financial years ended 31 March, 2012 to 31 March 2018. Similar demands have also been raised by MSEDCL on other Mumbai Licensees.

MERC in its above order, has however differed with the methodology adopted by MSLDC in calculating the above demand, and has issued instructions to MSLDC to issue revised bills based on the agreed revised methodology within a period of 1 year, and further, considering the amount/period involved directed MSLDC to set up a task force comprising officials from all Maharashtra Utilities to complete the task. MERC has also instructed that any amount payable (including relevant carrying cost) can be claimed by the respective Mumbai Licensees during the truing up/ARR exercise.

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

In terms of the above stated MERC Order, considering the proposed revision in the methodology to be adopted by MSLDC in calculating the above, and the complexities involved/unavailability of technical data in respect of all utilities, the management is unable to make an estimate of the above liability and accordingly no provision has been made in respect of the above as at 31st March, 2020. AEML would account for the same and pass through to the consumers, as and when the provisional/final invoices would be received.

Further an amount of ₹ 24.92 crores which was paid as an interim payment against the above demand based on MERC instructions in the previous year, has been charged to cost of power purchased during the year and recovered from consumers as part of FAC mechanism.

- 4 The above Contingent Liabilities to the extent pertaining to Regulated Business having cost plus model, which on unfavourable outcome are recoverable from consumers subject to MERC/CERC approval.
- 5 Amounts in respect of employee related claims/disputes, consumer related litigation, regulatory matters is not ascertainable.
- 6 Future cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.
- 7 Bank guarantee given by the Parent Company on behalf of Special Purpose Vehicle (SPV) companies, which were taken over to carry out the business awarded under tariff-based bidding, towards performance of work awarded is ₹ 352.00 Crores (Previous year ₹ 189.56 Crores) against which Bank guarantee taken by the Parent company from vendors is ₹ 406.82 Crores (Previous year ₹ 122.62 Crores) in various form.

The Group, in respect of the above mentioned Contingent Liabilities has assessed that it is only possible but not probable that outflow of economic resources will be required.

(ii) Commitments:

	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advance)	2,658.42	1,886.49
	2,658.42	1,886.49

In terms of the MERC RPO obligation regulations, one of the subsidiary, AEML is required to procure on an annual basis a certain quantum of power generated from renewable sources, as at 31 March, 2020 AEML has an cumulative outstanding commitment to procure renewable power of 3211 MU's.

AEML to meet its past and future RPO commitment, has entered into through a competitive bid, a long term power purchase agreement with a related party to procure 700 MW of Wind Solar Hybrid Renewable Power, supply of which would commence from financial year ended 31 March, 2022.

AEML in its MYT petition had requested MERC to allow it to carry forward its unmet RPO obligation to the next control period, so as to allow it to fulfil its past obligation from the above arrangement entered into. MERC has directed AEML to file a separate petition in respect of the same wherein appropriate view would be taken. The management is of the view that MERC would approve the above request and there would be no adverse financial implications of the non-compliance by AEML of its past RPO obligations.

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44 Leases

(i) Disclosure under Ind AS 116 Leases:

- (a) The following is the movement in Lease liabilities during the year ended 31st March, 2020

Particulars	(₹ in Crores)
Balance as at 1st April 2019	
Lease Liabilities on account of adoption of Ind AS 116	103.49
Lease Liabilities on account of Leases entered / terminated during the year	65.55
Finance Costs incurred during the year	11.97
Net Payments of Lease Liabilities	(35.66)
Balance as at 31st March, 2020 (refer note 25 and 31)	145.35

(ii) Disclosure under Ind AS 17 Leases for the year ended 31 March 2019

- (a) The Group's significant leasing arrangements, other than land, are in respect of office premises, residential premises, warehouses and cash collection centres, taken on lease. The arrangements range between 11 months to 5 years generally and are usually renewable by mutual consent on mutually agreeable terms. Under these arrangements, generally refundable interest free deposits have been given. The Group has not entered into any material financial lease. Expenses of ₹ 9.04 crores was incurred under such lease have been expensed in the statement of profit and loss.

Leasing arrangements with respect to land range between 20 years to 99 years generally.

The future minimum lease payments in respect of non-cancellable leases is as follow:-

	As at 31st March, 2019
Less than 1 year	8.58
Between 1 to 5 years	6.56
More than 5 years	-
	15.14

The Group has not entered into any financial lease.

- (b) The Group has a 25 year long term Power Purchase Agreement (PPA) with Vidarbha Industries Power Limited (VIPL), wherein the Group has committed to purchase the entire output generated from VIPL's generating station located at Butibori. In terms of the PPA, the Group, subject to a minimum guaranteed plant availability (determined on a yearly basis), is liable to pay (subject to MERC approval) a fixed monthly capacity charge and a variable charge towards the cost of fuel.
- (c) The Group on assessment of the above arrangement has concluded, that the payment towards fixed monthly capacity charge is contingent on plant availability which is the responsibility of VIPL, and accordingly such lease has been classified as operating lease.

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45 Related Party Disclosure

As per the Ind AS 24, disclosure of transactions with related parties, are given below:

Name of related parties & description of relationship

(A) Ultimate Holding Entity	S. B. Adani Family Trust (SBAFT)
(B) Key Management Personnel:	Mr. Gautam S. Adani, Chairman
	Mr. Rajesh S. Adani, Director
	Mr. Anil Sardana, Managing Director and Chief Executive Officer (w.e.f. 10 th May 2018)
	Mr. Kaushal Shah, Chief Financial Officer
	Mr. Jaladhi Shukla, Company Secretary
	Mr. Laxmi Narayana Mishra, Whole-time Director (Resigned w.e.f. 2 nd May 2018)
	Mr. K. Jairaj - Non-Executive Director
	Dr. Ravindra H. Dholakia - Non-Executive Director
	Ms. Meera Shankar - Non-Executive Director
(C) Enterprises over which (A) or (B) above have significant influence:	Adani Infra (India) Limited
	Adani Power (Mundra) Limited
	Adani Power Maharashtra Limited
	Adani Enterprises Limited
	Adani Power Limited
	Adani Ports and Special Economic Zone Limited
	Mundra Solar PV Limited
	Adani Wilmar Limited
	Adani Estates Private Limited
	Karnavati Aviation Private Limited
	Adani Foundation
	Adani Finserve Private Limited
	Belvedere Golf and Country Club Private Limited
	Adani Township & Real Estate Company Private Limited
	Adani Transport Limited
	Adani Institute for Education and Research
	Adani Infrastructure Management Services Limited
	Adani Properties Private Limited
	Adani Institute of Infrastructure Management
	Adani Capital Private Limited
	Adani Housing Finance Private Limited
	Sunbourne Developers Private Limited
	Rosepetal Solar Energy Private Limited
	Adani Power Rajasthan Limited
	Parampujya Solar Energy Private Limited
	Udupi Power Corporation Limited
	Adani Green Energy Limited
	Adani Water Limited
	Adani Gas Limited
	Adani Power (Jharkhand) Limited

(₹ in Crores)

Nature of Transactions	With Other Parties		With Key Managerial Personnel	
	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019
For the Year Ended				
Interest Expenses	12.24	14.11	-	-
Interest Income	6.55	-	-	-
Distribution on Perpetual Equity Instrument (Refer Note: 1)	383.29	305.71	-	-
Purchase of Goods	1.10	838.54	-	-

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45 Related Party Disclosure (Contd..)

(₹ in Crores)

Nature of Transactions For the Year Ended	With Other Parties		With Key Managerial Personnel	
	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019
Purchase of Inventory	3.98	-	-	-
Purchase of Power	1,035.91	79.97	-	-
Purchase of Property, Plant and Equipment	0.48	0.33	-	-
Corporate allocation and Reimbursement of expenses	131.85	128.08	-	-
Rent Expense	2.60	0.74	-	-
Loan Taken	745.00	444.10	-	-
Loan given	1,843.57	-	-	-
Loan Repaid	780.79	727.55	-	-
Loan Received back	223.57	-	-	-
Sale of Goods	75.67	0.04	-	-
Services Availed	-	7.99	-	-
CSR Expenditure	10.67	11.29	-	-
Staff Welfare Expenses	0.04	-	-	-
Advance paid towards Purchase of property	271.00	-	-	-
Advance paid towards Purchase of Power	200.00	-	-	-
Earnest Money Deposit (EMD) received	0.99	-	-	-
Director Sitting Fees	-	-	0.22	0.18
Compensation of Key Management Personnel				
a) Short-term benefits	-	-	8.84	3.56
b) Post-employment benefits	-	-	0.40	0.27
Remuneration Paid	-	-	-	-
Unsecured Perpetual Equity Instrument repaid	1,209.62	-	-	-
Unsecured perpetual Equity Instrument issued (Refer Note: 2)	1,081.01	1,559.40	-	-
O&M Agreement Charge	51.17	44.05	-	-

All above transactions are in the normal course of business and are made on terms equivalent to those that prevail at arm's length transactions.

Notes:

- 1 Accrued on Perpetual Equity, infused by Entity under common control.
- 2 Long-term Financial support by way of perpetual equity instruments from Entity under common control.

(₹ in Crores)

Closing Balance As at	With Other Parties		With Key Managerial Personnel	
	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019
Balance Payable	15.28	98.51	-	-
Balance Receivable	437.51	1.92	-	-
Loan Payable	-	35.79	-	-
Interest accrued but not due	-	2.41	-	-
Interest receivable	3.00	-	-	-
Advance for Capex	124.70	-	-	-
Loans Receivable	1,620.00	-	-	-
Unsecured Perpetual Equity Instrument (includes accrued distribution)	3,279.42	3,408.03	-	-

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

46 Fair Value Measurement:

a) The carrying value of financial instruments by categories as of 31st March 2020 is as follows:

(₹ in Crores)

Particulars	Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Total Carrying value in books	Fair value
Financial Assets					
Investments in Mutual Funds	-	312.67	-	312.67	312.67
Trade Receivables	-	-	1,000.26	1,000.26	1,000.26
Cash and Cash Equivalents	-	-	1,232.99	1,232.99	1,232.99
Bank Balances other than Cash and Cash Equivalents above	-	-	1,063.85	1,063.85	1,063.85
Loans	-	-	2,448.19	2,448.19	2,448.19
Derivative instruments designated in hedge accounting relationship	(40.81)	1,338.35	-	1,297.54	1,297.54
Other Financial Assets	-	-	2,548.18	2,548.18	2,548.18
Total	(40.81)	1,651.02	8,293.47	9,903.68	9,903.68
Financial Liabilities					
Borrowings (Including current maturities and Interest Accrued)	-	-	24,448.69	24,448.69	22,458.17
Derivative instruments designated in hedge accounting relationship	106.54	-	-	106.54	106.54
Other Financial Liabilities	-	-	1,372.60	1,372.60	1,372.60
Trade Payables	-	-	1,780.86	1,780.86	1,780.86
Total	106.54	-	27,602.15	27,708.69	25,718.17

b) The carrying value of financial instruments by categories as of 31st March 2019 is as follows:

(₹ in Crores)

Particulars	Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Total Carrying value in books	Fair Value
Financial Assets					
Investments in Mutual Funds	-	214.86	-	214.86	214.86
Investments in Government securities	-	-	120.92	120.92	120.92
Trade Receivables	-	-	722.05	722.05	722.05
Cash and Cash Equivalents	-	-	188.25	188.25	188.25
Bank Balances other than Cash and Cash Equivalents above	-	-	513.31	513.31	513.31
Loans	-	-	49.91	49.91	49.91
Derivative instruments designated in hedge accounting relationship	(0.70)	2.14	-	1.44	1.44
Other Financial Assets	-	-	2,996.63	2,996.63	2,996.63
Total	(0.70)	217.00	4,591.07	4,807.37	4,807.37
Financial Liabilities					
Borrowings (Including current maturities and Interest Accrued)	-	-	20,392.74	20,392.74	20,213.30
Derivative instruments designated in hedge accounting relationship	176.33	67.91	-	244.24	244.24
Other Financial Liabilities	-	-	694.14	694.14	694.14
Trade Payables	-	-	1,258.72	1,258.72	1,258.72
Total	176.33	67.91	22,345.60	22,589.84	22,410.40

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The management assessed that the fair value of cash and cash equivalents, other balance with banks, trade receivables, loans, trade payables, other financial assets and liability approximate their carrying amount largely due to the short term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values.

Fair value of mutual funds are based on the price quotations near the reporting date.

The fair value of loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flow using rates currently available for debt on similar terms, credit risk and remaining maturities.

The Group enters into derivative financial instruments with various counterparties, principally banks and financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying currency. All derivative contracts are fully collateralized, thereby, eliminating both counterparty and the Group's own non-performance risk.

47 Fair Value hierarchy:

Particulars	(₹ in Crores)			
	31 st March 2020 Level 1	31 st March 2020 Level 2	31 st March 2019 Level 1	31 st March 2019 Level 2
Assets measured at fair value				
Investments in unquoted Mutual Funds measured at FVTPL	-	312.67	120.92	214.86
Derivative Instruments designated in hedge accounting relationship				
Derivative Instruments	-	1,297.54	-	1.44
Total	-	1,610.21	120.92	216.30
Derivative Instruments designated in hedge accounting relationship				
Derivative Instruments	-	106.54	-	244.24
Liabilities for which fair values are disclosed				
Borrowings (Including current maturities and Interest Accrued)	13,102.53	9,355.64	3,235.85	16,977.45
Total	13,102.53	9,462.18	3,235.85	17,221.69

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48 Capital Management

The Group's objectives to manage capital is to safeguard continuity and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Group's overall strategy remains unchanged from previous year.

The Group sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation, borrowings. The Group's policy is to use borrowings to meet anticipated funding requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended as at 31st March 2020 and as at 31st March 2019.

Particulars	Refer Note	As at	
		31 st March, 2020	31 st March 2019
Total Borrowings (Including Current Maturities of Long Term Debt)	23,29 & 31	24,245.73	20,136.99
Less: Cash and bank balances	15 & 16	2,296.84	701.56
Less: Current Investments	13	312.67	214.86
Net Debt(A)		21,636.22	19,220.57
Equity Share Capital & Other Equity	20 & 22	5,219.54	4,634.85
Unsecured Perpetual Equity Instrument	21	3,279.42	3,408.03
Total Equity (B)		8,498.96	8,042.88
Total Equity and Net Debt (C=A+B)		30,135.18	27,263.45
Gearing Ratio : (A)/(C)		0.72	0.70

(₹ in Crores)

49 Financial Risk Management Objectives

The Group's principal financial liabilities comprises borrowings, trade and other payables, The main purpose of these financial liabilities is to finance the Group's operations/projects. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

In the ordinary course of business, the Group is mainly exposed to risks resulting from exchange rate fluctuation (currency risk), interest rate movements (interest rate risk) collectively referred as Market Risk, Credit Risk, Liquidity Risk and other price risks such as equity price risk. The Group's senior management oversees the management of these risks. It manages its exposure to these risks through derivative financial instruments by hedging transactions. It uses derivative instruments such as Principal only Swaps, Interest rate swaps, foreign currency future options and foreign currency forward contract to manage these risks. These derivative instruments reduce the impact of both favourable and unfavourable fluctuations.

The Group's risk management activities are subject to the management, direction and control of Central Treasury Team of the Group under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board of Directors of the Group. The Group's central treasury team ensures appropriate financial risk governance framework

for the Group through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

The decision of whether and when to execute derivative financial instruments along with its tenure can vary from period to period depending on market conditions and the relative costs of the instruments. The tenure is linked to the timing of the underlying exposure, with the connection between the two being regularly monitored. The Group is exposed to losses in the event of non-performance by the counterparties to the derivative contracts. All derivative contracts are executed with counterparties that, in our judgement, are creditworthy. The outstanding derivatives are reviewed periodically to ensure that there is no inappropriate concentration of outstanding to any particular counterparty.

In the ordinary course of business, the Group is exposed to Market risk, Credit risk, and Liquidity risk.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk.

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Interest rate risk

The Group is exposed to changes in market interest rates due to financing, investing and cash management activities. The Group's exposure to the risk of changes in market interest rates relates primarily to The Group's long-term debt obligations with floating interest rates and period of borrowings. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group enters into interest rate swap contracts or interest rate future contracts to manage its exposure to changes in the underlying benchmark interest rates.

Interest rate sensitivity

The sensitivity analysis below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting

period was outstanding for the whole year. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Group's profit for the year ended 31st March 2020 would decrease / increase by ₹ 17.39 Crores (previous year: ₹ 49.67 Crores). This is mainly attributable to interest rates on variable rate borrowings.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities. The Group manages its foreign currency risk by hedging transactions that are expected to realise in future.

a) The Group has taken various derivatives to hedge its foreign exposure. The outstanding position of exposure against variation in interest rates and foreign exchange rate are as under:

Nature	Purpose	As at 31 st March 2020		As at 31 st March 2019	
		₹ in Crores	Foreign Currency (in Million)	₹ in Crores	Foreign Currency (in Million)
(i) Principal only swaps	Hedging of foreign currency borrowings principal liability 1. Bond 870 Million USD, USPP 310 Million USD) P.Y. (bond 320 Million USD) 2. Term Loan from bank 24.18 Million EUR (P.Y. 25.62 Million EUR)	9,128.57	EUR 24.18 USD 1180	2,411.96	EUR 25.62 USD 320.00
(ii) Forward covers	1a. Hedging of foreign currency borrowing principal:- Bond 430 Million USD, USPP 90 Million USD (P.Y. Bond 180 Million USD) 1b. Hedging of foreign currency interest liability 2. Hedging of LC, Acceptances, Creditors and firm commitments	4,476.90	USD 591.67	1,452.26	USD 210.00
		-	-	22.14	USD 3.20

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Foreign currency risk (Contd..)

Nature	Purpose	As at 31 st March 2020		As at 31 st March 2019	
		₹ in Crores	Foreign Currency (in Million)	₹ in Crores	Foreign Currency (in Million)
(iii) Cross Currency Swaps	Hedging of foreign currency borrowing principal & interest liability 1. Bond 400 Million USD, Term Loan 70 Million USD (P.Y. Nil)	3,556.26	USD 470	-	-
(iv) Options	Hedging of foreign currency borrowing principal & interest liability 1. Bond 300 Million USD, Share holder affiliated debt 282 Million USD (P.Y. Nil)	4,403.70	USD 582	-	-
(v) Coupon only Swaps	Hedging of foreign currency borrowing interest liability	3,783.25	USD 500	-	-

b) The details of foreign currency exposures not hedged by derivative instruments are as under:

Particulars	For the year ended 31 st March 2020		For the year ended 31 st March 2019	
	₹ in Crores	Foreign Currency (in Million)	₹ in Crores	Foreign Currency (in Million)
(i) Interest accrued but not due	23.85	USD 3.15	0.57	USD 0.44
	-	-	82.06	USD 11.87
(ii) Import Creditors and Acceptances	335.83	USD 44.38	0.04	GBP 0.00
	0.03	EUR 0.00*	0.02	EUR 0.00
(iii) Buyer's Credit	-	-	56.88	USD 8.23

* EUR 3115/-

A change of 1% in Foreign currency would have following impact on profit before tax

Particulars	(₹ in Crores)			
	For the Year 2019-20		For the Year 2018-19	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Foreign Currency Sensitivity				
RUPEES / USD – (Increase) / Decrease	(3.60)	3.60	(1.42)	1.42
RUPEES / GBP – (Increase) / Decrease	-	-	(0.00)	0.00
RUPEES / EUR – (Increase) / Decrease	0.00	(0.00)	(0.00)	0.00

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Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted the policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial losses from default, and generally does not obtain any collateral or other security on trade receivables.

The carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk. Since the Group is an ISTS licensee, the responsibility for billing and collection on behalf of the Group lies with the CTU/STU. Based on the fact that the collection by CTU/STU is from Designated ISTS Customers (DICs) which in majority of the cases are state government organisations and further based on an analysis of the past trends of recovery, the management is of the view that the entire receivables are fully recoverable.

Accordingly, the Group does not recognize any impairment loss on its receivables.

Liquidity risk

The Group monitors its risk of shortage of funds using cash flow forecasting models. These models consider the maturity of its financial investments, committed funding and projected cash flows from operations. The Group's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner and to manage its capital structure. A balance between continuity of funding and flexibility is maintained through the use of various types of borrowings.

The table below analysis derivative and non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	(₹ in Crores)			
As at 31 st March 2020	Less than 1 year	1-5 years	Over 5 years	Total
Borrowings (Including current maturities)	1,956.08	2,452.51	19,837.14	24,245.73
Trade Payables	1,751.51	-	29.35	1,780.86
Derivative Liabilities	24.37	82.17	-	106.54
Other financial Liabilities	1,307.58	236.99	30.99	1,575.56

	(₹ in Crores)			
As at 31 st March 2019	Less than 1 year	1-5 years	Over 5 years	Total
Borrowings (Including current maturities)	3,832.88	5,300.25	11,003.86	20,136.99
Trade Payables	1,236.92	-	21.80	1,258.72
Derivative Liabilities	106.80	-	137.44	244.24
Other financial Liabilities	949.89	-	-	949.89

Derivative Financial Instrument

The Group uses derivatives instruments as part of its management of risks relating to exposure to fluctuation in foreign currency exchange rates and interest rates. The Group does not acquire derivative financial instruments for trading or speculative purposes neither does it enter into complex derivative transactions to manage the above risks. The derivative transactions are normally in the form of forward currency contracts, cross currency swaps, options and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively and are subject to the Group's guidelines and policies.

The fair values of all derivatives are separately recorded in the balance sheet within current and non current assets and liabilities. Derivative that are

designated as hedges are classified as current or non current depending on the maturity of the derivative.

The use of derivative can give rise to credit and market risk. The Group tries to control credit risk as far as possible by only entering into contracts with stipulated / reputed banks and financial institutions. The use of derivative instrument is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivative is mitigated by changes in the valuation of underlying assets, liabilities or transactions, as derivatives are used only for risk management purpose.

The Group enters into derivative financial instruments, such as forward currency contracts, cross currency swaps, options, interest rate futures and interest rate

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swaps for hedging the liabilities incurred/recorded and accounts for them as cash flow hedges and states them at fair value. The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss. Amounts recognised in OCI are transferred to profit or loss when the hedged

transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. These hedges have been effective for the year ended March 31, 2020.

The fair value of the Group's derivative positions recorded under derivative financial assets and derivative financial liabilities are as follows :-

Derivative Financials Instruments	(₹ in Crores)			
	As at 31 st March, 2020		As at 31 st March, 2019	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedge				
-Call Options	394.48	106.54	-	1.78
-Cross Currency Swaps	229.32	-	-	-
-Coupon Only Swaps	38.00	-	-	-
-Forward	150.35	-	-	105.02
-Principal Only Swaps	485.39	-	1.44	137.44
Total	1,297.54	106.54	1.44	244.24

50 Segment information:- Operating Segments

The reportable segments of the Group are trading activity and providing transmission line service. The segment are largely organised and managed separately according to the organisation structure that is designed based on the nature of service. Operating segments reported in a manner consistent with the internal reporting provided to the Chairman and Managing Director jointly regarded as the Chief Operating Decision Maker ("CODM"). Description of each of the reportable segments for all periods presented, is as under:-

- i) Transmission
- ii) Trading
- ii) Mumbai GTD Business

The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CODM reviews revenue and gross profit at the performance indicator for all of the operating segments.

The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the financial statements. Segment profit represents the profit before interest and tax.

Information regarding the Company's reportable segments is presented below:

	(₹ in Crores)				
	Transmission	Trading	Mumbai GTD Business	Elimination	Total
1 Revenue					
External Sales	2,815.00	924.61	7,676.35	-	11,415.96
	2,192.88	842.38	4,270.19	-	7,305.45
Total Revenue	2,815.00	924.61	7,676.35	-	11,415.96
	2,192.88	842.38	4,270.19	-	7,305.45
2 Results					
Segment Results	1,873.21	0.40	1,206.23	-	3,079.84
	1,348.46	3.44	624.02	-	1,975.92
Unallocated Corporate Income (Net)					265.33
					255.35
Operating Profit					3,345.17

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50 Segment information:- Operating Segments (Contd.)

(₹ in Crores)

	Transmission	Trading	Mumbai GTD Business	Elimination	Total
					2,231.27
Less: Finance Expense					2,238.49
					1,391.03
Profit before tax					1,106.68
					840.24
Current Taxes					213.80
					191.87
Deferred Tax					186.39
					89.17
Total Tax					400.19
					281.04
Profit after tax					706.49
					559.20
Less: Non-Controlling Interests					35.33
					-
Net profit					741.82
					559.20
3 Other Information					
Segment Assets	15,576.68	134.72	16,628.19	-	32,339.59
	14,928.19	-	16,694.07	-	31,622.26
Unallocated Corporate Assets					7,371.60
					1,038.78
Total Assets					39,711.19
					32,661.04
Segment Liabilities	693.67	134.48	3,755.06	-	4,583.21
	935.60	-	3,045.58	-	3,981.18
Unallocated Corporate Liabilities					25,566.89
					20,636.98
Total liabilities					30,150.10
					24,618.16
Depreciation /Amortisation	663.56	-	510.46	-	1,174.02
	598.32	-	283.83	-	882.15
Non Cash Expenditure other than Depreciation/ Amortisation	(5.38)	-	(32.48)	-	(37.86)
	49.69	-	1.39	-	51.08
Capital Expenditure	1,468.90	-	1,293.77	-	2,762.67
	932.33	-	266.22	-	1,198.55

Previous figures are given in italics

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

- 51** The Consolidated financial statements for the year ended 31st March 2020 are not comparable with the previous year, due to following:

Date of acquisition of Investment in Subsidiaries

Sr. No.	Name of the Entity	For the year ended	
		31 st March 2020	31 st March 2019
1	Adani Electricity Mumbai Limited	-	29 th August 2018
2	Ghatampur Transmission Limited	-	19 th June 2018
3	Adani Transmission Bikaner Sikar Private Limited (Formerly known as KEC Bikaner Sikar Transmission Private Limited)	-	1 st January 2019
4	OBRA-C Badaun Transmission Limited	-	21 st December 2018
5	Bikaner-Khetri Transmission Limited	19 th September 2019	-
6	WRSS XXI (A) Transco Limited	14 th October 2019	-
7	Lakadia Banaskantha Transco Limited	13 th November 2019	-
8	Jam Khambaliya Transco Limited	13 th November 2019	-

- 52** Group has entered into transmission agreements in the nature of Service Concession Arrangements (SCA) with Rajasthan Rajya Vidyut Prasaran Nigam Limited (RVPNL) and with Power Grid Corporation of India Limited (PGCIL).

- (a) Two agreements for different maintaining different transmission lines with RVPNL (Grantor) is to construct & operate an transmission system comprising:-
- A 400 KV Double Circuit transmission line from Suratgarh to Bikaner with a design capacity to transfer electricity equivalent to 1066 MW on Design, Built, Finance, Operate & Transfer (DBFOT) basis having contract for 35 years from the licence issued.
 - A 400 KV Double Circuit transmission Line in Bikaner, Sikar with a design capacity to transfer electricity equivalent to 2400 MW on Design, Built, Finance, Operate & Transfer (DBFOT) basis having contract for 25 years from the licence issued.
- (b) The agreements with PGCIL (Grantor) is to construct & operate an transmission system comprising a 400 KV Double Circuit transmission line in Pune, Aurangabad, Solapur, Kolhapur, Parli, Karad, Lonikhand, Kalwa, Limbdi, Vadavi, Kansari, Rajgarh and Karamsad with a design capacity to transfer electricity equivalent to 3600 MW on Design, Built, Finance, Operate & Transfer (DBFOT) basis having contract for 25 years. The service concession arrangement provides an option for extension of the concession period. Upon completion of concession period or on termination of agreement, Transmission Lines will vest with the grantor free and clear of all encumbrances. Financial assets is created on the basis of Present values of future Cash Flows. No intangible assets is created for this SCA accounting.

Financial summary of above concession arrangement are given below:

Sr. No.	Particulars	Transmission Lines	
		2019-20	2018-19
1	SCA Revenue Recognised	154.12	161.65
2	Profit for the year	40.18	38.92

(₹ in Crores)

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

53 Additional information of net assets and share in profit or loss contributed by various entities as recognised under Schedule III of the Companies Act, 2013

Sr. No.	Name of the Entity	As % of Consolidated Net Assets as on 31 st March 2020	₹ in Crores	As % of Consolidated Profit or Loss for the year ended 31 st March 2020	₹ in Crores	As % of Consolidated Other Comprehensive Income for the year ended 31 st March 2020	₹ in Crores	As % of Consolidated Total Comprehensive Income for the year ended 31 st March 2020	₹ in Crores
1	Adani Transmission Limited	32.66%	4,810.44	0.71%	5.54	131.66%	158.44	18.16%	163.98
	Subsidiaries (Indian)								
2	Maharashtra Eastern Grid Power Transmission Company Limited	15.90%	2,341.74	28.76%	225.09	-0.35%	(0.42)	24.88%	224.67
3	Adani Transmission (India) Limited	14.33%	2,110.47	39.96%	312.66	-0.08%	(0.10)	34.62%	312.56
4	Sipat Transmission Limited	0.41%	61.01	3.28%	25.66	-1.02%	(1.23)	2.71%	24.43
5	Raipur-Rajnandagaon-Warora Transmission Limited	0.94%	138.28	7.53%	58.89	-2.27%	(2.73)	6.22%	56.16
6	Chhattisgarh-WR Transmission Limited	0.68%	99.42	4.17%	32.67	-1.64%	(1.98)	3.40%	30.69
7	Adani Transmission (Rajasthan) Limited	0.09%	12.52	0.33%	2.60	-	-	0.29%	2.60
8	North Karanpura Transco Limited	0.20%	28.84	0.00%	(0.01)	-0.01%	(0.02)	0.00%	(0.02)
9	Maru Transmission Service Company Limited	0.14%	20.38	0.45%	3.52	-0.17%	(0.21)	0.37%	3.31
10	Aravali Transmission Service Company Limited	-0.02%	(2.98)	0.10%	0.75	-0.17%	(0.21)	0.06%	0.55
11	Western Transco Power Limited	1.02%	150.92	0.94%	7.35	-	-	0.81%	7.35
12	Western Transmission (Gujarat) Limited	0.72%	105.79	1.20%	9.37	-	-	1.04%	9.37
13	Hadoti Power Transmission Service Limited	0.25%	36.98	2.34%	18.32	-0.28%	(0.33)	1.99%	17.98
14	Barmer Power Transmission Service Limited	0.22%	32.71	1.84%	14.44	-0.19%	(0.23)	1.57%	14.20
15	Thar Power Transmission Service Limited	0.18%	26.46	1.59%	12.45	-0.18%	(0.22)	1.35%	12.23
16	Fatehgarh-Bhadla Transmission Limited	0.17%	25.21	0.00%	0.02	-0.02%	(0.03)	0.00%	(0.01)
17	Ghatampur Transmission Limited	0.73%	108.03	0.05%	0.42	-0.05%	(0.06)	0.04%	0.36
18	Adani Transmission Bikaner Sikar Private Limited (Formerly Known as KEC Bikaner Sikar Transmission Private Limited)	0.30%	43.66	0.67%	5.27	-	-	0.58%	5.27
19	OBRA-C Badaun Transmission Limited	0.38%	55.40	-0.01%	(0.08)	-0.02%	(0.02)	-0.01%	(0.10)

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

53 (Contd..)

Sr. No.	Name of the Entity	As % of Consolidated Net Assets as on 31 st March 2020	₹ in Crores	As % of Consolidated Profit or Loss for the year ended 31 st March 2020	₹ in Crores	As % of Consolidated Other Comprehensive Income for the year ended 31 st March 2020	₹ in Crores	As % of Consolidated Total Comprehensive Income for the year ended 31 st March 2020	₹ in Crores
20	Adani Electricity Mumbai Limited	30.72%	4,524.33	6.42%	50.22	-25.19%	(30.31)	2.21%	19.91
21	AEML Infrastructure Limited	0.00%	(0.00)	0.00%	(0.00)	-	-	0.00%	(0.00)
22	Bikaner-Khetri Transmission Limited	0.00%	0.02	0.00%	0.02	-0.01%	(0.01)	0.00%	0.01
23	WRSS XXI (A) Transco Limited	0.00%	(0.55)	-0.08%	(0.60)	0.00%	(0.00)	-0.07%	(0.60)
24	Lakadia Banaskantha Transco Limited	-0.01%	(0.99)	-0.13%	(1.03)	0.00%	(0.01)	-0.12%	(1.04)
25	Jam Khambhaliya Transco Limited	-0.01%	(0.85)	-0.12%	(0.90)	0.00%	(0.00)	-0.10%	(0.90)
26	Arasan Infra Private Limited	0.00%	(0.11)	-0.01%	(0.12)	-	-	-0.01%	(0.12)
27	Sunrays Infra Space Private Limited	0.00%	0.02	0.00%	0.01	-	-	0.00%	0.01
28	Power Distribution Services Limited (Formerly known as 'Adani Electricity Mumbai Services Limited')	0.00%	0.01	0.00%	(0.00)	-	-	0.00%	(0.00)
29	Adani Electricity Mumbai Infra Limited	0.00%	0.01	0.00%	(0.00)	-	-	0.00%	(0.00)
	Total	100%	14,727.17	100%	782.52	100%	120.34	100%	902.86
	Less: Adjustment of Consolidation		6,228.21		76.03		0.01		76.04
	Add: Non Controlling Interest		1,062.13		(35.33)		(7.60)		(42.93)
	Consolidated Net Assets/ Profit after tax		9,561.09		741.82		127.93		869.75

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

54 As per Ind AS 19 "Employee Benefits", the disclosures are given below.

(a) Defined Contribution Plan

- (i) Provident fund
- (ii) Superannuation fund
- (iii) State defined contribution plans
 - Employer's contribution to Employees' state insurance
 - Employers' Contribution to Employees' Pension Scheme 1995

The Group has recognised the following amounts as expense in the financial statements for the year:

Particulars	(₹ in Crores)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Contribution to Provident Fund	42.17	24.03
Contribution to Employees Superannuation Fund	8.46	4.75
Contribution to Employees Pension Scheme	7.17	4.29
Total	57.80	33.07

(b) Defined Benefit Plan

The Group operates a defined benefit plan (the Gratuity plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The status of gratuity plan as required under Ind AS-19:

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
i. Reconciliation of Opening and Closing Balances of defined benefit obligation		
Present Value of Defined Benefit Obligations at the beginning of the Year	603.97	3.40
Current Service Cost	33.30	26.70
Interest Cost	45.56	37.21
Re-measurement (or Actuarial) (gain) / loss arising from:		
- Change in demographic assumptions	0.14	0.02
- Change in financials assumptions	38.69	0.11
- Experience variance (i.e. Actual experience vs assumptions)	(17.68)	1.23
Acquisition Adjustment	-	559.81
Benefits paid	(50.07)	(24.15)
Net Actuarial loss / (gain) Recognised	-	(0.27)
Liabilities Transfer In/Out	0.59	(0.09)
Present Value of Defined Benefit Obligations at the end of the Year	654.50	603.97
ii. Reconciliation of Opening and Closing Balances of the Fair value of Plan assets		
Fair Value of Plan assets at the beginning of the Year	457.39	1.67
Investment Income	34.49	0.13
Contributions	0.15	5.30
Benefits paid	(0.99)	(0.14)
Return on plan assets, excluding amount recognised in net interest expenses	0.06	(0.28)
Planned Asset Acquired on Business Acquisition	-	450.71
Fair Value of Plan assets at the end of the Year	491.10	457.39
iii. Reconciliation of the Present value of defined benefit obligation and Fair value of plan assets		
Present Value of Defined Benefit Obligations at the end of the Year	654.50	603.97
Fair Value of Plan assets at the end of the Year	(491.10)	(457.39)
Net Asset / (Liability) recognised in balance sheet as at the end of the year	(163.40)	(146.58)

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

(b) Defined Benefit Plan (Contd..)

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
iv. Composition of Plan Assets		
100% of Plan Assets are administered by LIC	-	-
v. Gratuity Cost for the Year		
Current service cost	33.30	26.70
Interest cost	45.56	37.21
Expected return on plan assets	(34.49)	(0.13)
Actuarial Gain / (Loss)	-	-
Net Gratuity cost recognised in the statement of Profit and Loss	44.37	63.78
vi. Other Comprehensive Income		
Actuarial (gains) / losses		
Change in demographic assumptions	0.14	(0.25)
Change in financial assumptions	38.69	0.11
Experience variance (i.e. Actual experiences assumptions)	(17.68)	1.23
Return on plan assets, excluding amount recognised in net interest expense	0.06	0.28
Components of defined benefit costs recognised in other comprehensive income	21.21	1.37
vii. Actuarial Assumptions		
Discount Rate (per annum)	6.7% to 6.84%	7.54% to 7.60%
Annual Increase in Salary Cost (per annum)	8.00% to 9.75%	8.00% to 9.75%

(c) Sensitivity analysis

The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

	Change in assumption		Increase in assumption		Decrease in assumption	
	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019
Discount rate	1.00%	1.00%	Decrease by 71.79	55.87	Increase by 62.03	61.70
Salary Growth Rate	1.00%	1.00%	Increase by 60.59	60.73	Decrease by 68.81	53.84
Attrition Rate	0.50%	0.50%	Decrease by 21.68	11.28	Increase by 20.04	11.52
Mortality Rate	10.00%	10.00%	Increase by 9.53	7.25	Decrease by 9.52	7.25

55 Corporate Social responsibility

As per Section 135 of the Companies Act, 2013, a corporate social responsibility (CSR) committee has been formed by the Group. The funds are utilised on the activities which are specified in Schedule VII of the Companies Act, 2013. The utilisation is done by way of contribution towards various activities.

- (a) Gross amount as per the limits of Section 135 of the Companies Act, 2013: ₹ 18.94 Crores. (Previous year: ₹ 17.22 Crores)
- (b) Amount spent during the year ₹ 18.14 Crores. (Previous year: ₹ 17.91 Crores)

Sr. No.	Particulars	Amount Contributed	Amount yet to contribute	Total
(i)	Construction/acquisition of any assets	-	-	-
(ii)	On purpose other than (i) above	18.14	*	18.14

* The Group intends to spend the unutilised amount ₹ 0.92 crores of a subsidiary company in the subsequent year on COVID-19 related activities, etc.

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

- 56** The Group has adopted Ind AS 115 using the cumulative effect method (without practical expedients) with the effect of initially applying this standard recognised at the date of initial application i.e. 1st April 2018. Accordingly, the comparative information i.e. information for the year ended 31st March 2018, has not been restated. The adoption of the standard did not have any material impact on the financial statements of the Group. Additionally, the disclosure requirements in Ind AS 115 have not generally been applied to comparative information.

Contract balances:

- (a) The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers.

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 1 st April 2019
Trade receivables (Gross) (Refer note 14)	1,077.72	751.55
(Less): Allowance for Doubtful Debts (Refer note 14)	(77.46)	(29.50)
Trade receivables (Net) (Refer note 14)	1,000.26	722.05
Contract assets (Refer note 8 & 18)	1,105.97	1,076.23
Contract liabilities	-	-

The contract assets primarily relate to the Group right to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the Customer. The contract liabilities primarily relate to the advance consideration received from the customers.

- (b) Significant changes in contract assets and liabilities during the period:

Particulars	(₹ in Crores)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Opening Balance		
Recoverable from consumers	4.78	-
Liabilities towards consumers	-	-
(A)	4.78	-
Income to be adjusted in future tariff determination in respect of earlier year (of which ₹ 2.26 crores recoverable from others)	(10.22)	(8.95)
Income to be adjusted in future tariff determination (Net)	(23.06)	13.73
Closing Balance (B)	(33.28)	4.78
Recoverable from consumers	-	-
Liabilities towards consumers	28.50	-
Contract assets reclassified to receivables (A+B)	(28.50)	4.78

Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

Particulars	(₹ in Crores)	
	For the year ended 31 st March 2020	For the year ended 31 st March 2019
Revenue as per contracted price	10,328.99	7,255.43
Adjustments		
Discounts	51.10	26.99
Revenue from contract with customers	10,277.90	7,228.44

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

57 Regulatory Deferral Account

Particulars	(₹ in Crores)	
	As at 31 st March 2020	As at 31 st March 2019
Regulatory Deferral Account – Liability		
Regulatory Liabilities	504.33	271.56
Regulatory Deferral Account – Assets		
Regulatory Assets	247.73	1,105.60
Net Regulatory Assets/(Liabilities)	(256.60)	834.04

Rate Regulated Activities

- As per the Ind AS-114 'Regulatory Deferral Accounts', the business of electricity distribution is a Rate Regulated activity wherein Maharashtra Electricity Regulatory Commission (MERC), the regulator determines Tariff to be charged from consumers based on prevailing regulations in place.
- MERC Multi Year Tariff Regulations, 2015 (MYT Regulations), is applicable for the period beginning from 1st April 2016 to 31st March 2020. These regulations require MERC to determine tariff in a manner wherein the AEML can recover its fixed and variable costs including assured rate of return on approved equity base, from its consumers. The AEML determines the Revenue, Regulatory Assets and Liabilities as per the terms and conditions specified in MYT Regulations.
- Reconciliation of Regulatory Assets/Liabilities of distribution business as per Rate Regulated Activities is as follows:

S. No.	Particulars	(₹ in Crores)	
		As at 31 st March 2020	As at 31 st March 2019
A	Opening Regulatory Assets (Net)	834.04	-
	Add:		
B	Acquired on Business Combination (Net)	-	1,206.09
1	For Current Year	(232.77)	95.84
2	For Earlier Year	-	-
	Total C (1 + 2)	(232.77)	95.84
	Less:		
D	Recovered / (refunded) during the year	857.87	467.89
E	Net Movement during the year (C - D)	(1,090.64)	(372.05)
F	Closing Balance (A+B+E)	(256.60)	834.04

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

58 (i) Impairment testing of intangible Assets

In accordance with the requirements of Ind AS 36 "Impairment of Assets", Transmission Cash Generating Unit ("TCGU") which includes carrying value of Transmission License having indefinite useful life being Transmission License (₹ 981.62 crores), has been tested for impairment as at 31 March, 2020 wherein, recoverable amount of the TCGU has been determined in one of the subsidiary (AEML) applying value in use approach. The value in use of the TCGU has been determined using Discounted Cash Flow Method (DCF).

In deriving the recoverable amount of the TCGU a discount rate (post tax) of 9 % per annum has been used. In arriving at the recoverable amount of the TCGU, financial projections have been developed for 5 years and thereafter in perpetuity considering a terminal growth rate of 2.5% per annum.

Based on the results of the TCGU impairment test, the estimated value in use of the TCGU was higher than its carrying amount, hence impairment provision recorded during the current year is ₹ Nil (31 March 2019 - ₹ Nil) Crore. Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the fair value of the Transmission License.

The key assumptions used in determining the recoverable amount of TCGU are as follows

Discount Rate: 9 % Post-Tax Discount rate has been derived based on current cost of borrowing and equity rate of return in line with the current market expectations.

Capital expenditure /Capitalisation: Capital expenditure and capitalisation for 5 years is estimated based on management projections considered for purposes of Multi Year Tariff filing with MERC and thereafter ₹ 250 crores per annum.

(ii) Impairment testing of Goodwill

The group tests on a annual basis, goodwill arising on acquisition of subsidiaries amounting to ₹ 576.02 crores which has been allocated to the respective Cash Generating Unit ("CGU")(ATIL, MEGPTCL and AEML) for impairment. Based on the annual impairment test no provision towards impairment was required necessary.

The recoverable amounts of the CGUs are determined from value-in-use calculations and the projections based on the period of the transmission licenses (including expected extensions).

The key assumptions for the value-in-use calculations are those regarding discount rates, growth rates, capital expenditure and expected increase in direct costs. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money. The growth rates are based on management's forecasts/ tariff regulations. Changes in direct costs are based on past practices and expectations of future changes in the market.

The Group prepares its forecasts based on the most recent financial budgets approved by management with projected revenue growth rates per respective tariff regulation wherein the revenue is determined considering the parameters/benchmarks laid down in the respective MERC/CERC tariff regulations.

The rates used to discount the forecasts are in the range of 10.33% to 11.00% p.a.

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

- 59 a. During the year 2019-20, Maharashtra Electricity Regulatory Commission (MERC) vide its order dated 30th March 2020, has approved for (i) truing-up of the tariff for the period from the financial year 2017-18 & 2018-19, (ii) for Provisional truing up of financial year 2019-20 and (iii) Aggregate Revenue Requirement (ARR) for FY 2020-21 and FY 2024-25 for Adani Transmission (India) Limited (ATIL), Maharashtra Eastern Grid Power Transmission Company Limited (MEGPTCL) and Adani Electricity Mumbai Limited (AEML). Accordingly, based on the MERC order, during the year, Group has recognized revenue from operations of ₹ 254.43 Crores for the period from April, 2017 to March, 2019. Under the circumstances, the figures for the current year are not comparable with the corresponding figures of the previous year, to that extent.
- b. During the previous year, MEGPTCL and ATIL has received an order dated 12-Sept-18 of Maharashtra Electricity Regulatory Commission (MERC) for (i) Truing-up of FY 2015-16 and FY 2016-17 and (ii) Provisional Truing-up of FY 2017-18. Accordingly, based on the MERC order, during the previous year, Group has reversed revenue from operations of ₹ 89.57 Crores for the period from 01-Apr-15 to 31-Mar-18. Under the circumstances, the figures for the previous year are not comparable with the corresponding figures of the current year, to that extent.

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

- 60 (A)** During the year, Group has sold 25.10% stake of Adani Electricity Mumbai Limited (AEML) to Qatar Holding (QH), a subsidiary of Qatar Investment Authority (QIA), in accordance with terms of Shareholders Agreement entered into between the Group and QH.

The Group has also sold 25.10 % stake of Power Distribution Services Limited (PDSL) (Formerly known as 'Adani Electricity Mumbai Services Limited') to Qatar Holding (QH), a subsidiary of Qatar Investment Authority (QIA) in accordance with terms of Shareholders Agreement entered into between the Group and QH.

The Group has received total consideration amounting to ₹ 1,209.62 Crores for the same.

(B) Non Controlling Interests (NCI)

Summary of financial information for a subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for a subsidiary are before inter-company eliminations.

	(₹ in Crores)	
Summarised Balance Sheet	31 st March 2020	31 st March 2019
Total Assets	19,705.86	-
Total Liabilities	15,181.53	-
Net Assets	4,524.33	-
Accumulated NCI	1,135.61	-

	(₹ in Crores)	
Summarised statement of Profit and Loss	31 st March 2020	31 st March 2019
(Loss) for the period	(140.74)	-
Other Comprehensive Income / (Loss) for the period	(30.31)	-
Total Comprehensive Income / (Loss) for the period	(171.05)	-
Loss Allocated to NCI	(35.33)	-
Total Comprehensive Income / (Loss) allocated to NCI	(42.93)	-

	(₹ in Crores)	
Summarised Cash Flow allocated	31 st March 2020	31 st March 2019
Net cash from operating activities	55.48	-
Net cash (used in) investing activities	(444.81)	-
Net cash from financing activities	213.71	-
Net (decrease) in cash and cash equivalents	(175.62)	-

(C) Gain on sale of Equity Shares of Subsidiary Companies to Non Controlling Interests

	(₹ in Crores)	
Particulars	31 st March 2020	31 st March 2019
Consideration received from non-controlling interests	1,209.62	-
Expenses incurred	(6.33)	-
Carrying amount of non-controlling interests	(1,105.91)	-
Gain on sale of Equity Shares of Subsidiary Companies to Non Controlling Interests	97.38	-

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

(D) Transaction with Non Controlling Interests

Particulars	₹ in Crores)	
	31 st March 2020	31 st March 2019
Subordinate debt received	2,009.64	-
Commitment Charges Paid	7.52	-
Interest expense on Sub debt	19.24	-

Closing balance	₹ in Crores)	
	31 st March 2020	31 st March 2019
Subordinate debt payable	2,133.75	-
Interest accrued but not due on Sub debt	19.24	-

- 61** i) In December 2017, Adani Transmission Limited (the Parent Company) signed a binding Share Purchase Agreement ('SPA') with Reliance Infrastructure Limited ('R-Infra') to acquire its integrated Power Generation, Transmission and Distribution of Power business for suburban area in Mumbai city ('Mumbai GTD business').
- ii) Consequent to a Scheme of Arrangement approved by the High Court of Judicature at Bombay, and other regulatory approvals obtained in this respect, effective from 29th August 2018, the Mumbai GTD business of R-Infra has been demerged from R-Infra and transferred into Adani Electricity Mumbai Limited (formerly Reliance Electricity Generation and Supply Limited) ('AEML') with an Appointed Date of 1st April 2018. Pursuant to the SPA, The Parent Company acquired 100% equity share capital of AEML for a consideration of ₹ 3,827.54 Crores. On such acquisition, AEML has become wholly-owned subsidiary of the Parent Company.
- 62** During the year, Adani Transmission Limited (the Parent Company)
- (i) Has signed a binding Share Purchase Agreement on 19th September, 2019 with PFC Consulting Limited for acquisition of 100% equity share capital of Bikaner-Khetri Transmission Limited (BKTL). BKTL was incorporated on 22nd February, 2019 by PFC Consulting Limited to establish Transmission system associated with LTA applications from Rajasthan SEZ Part-D through Tariff Based Competitive Bidding (TBCB).
- (ii) Has acquired 100% equity share capital of SPV "WRSS XXI (A) Transco Limited" from REC Transmission Project Company Limited (REC TPCL) on 14th October, 2019. WRSS XXI (A) Transco Limited was formed by REC TPCL to establish "Transmission System Strengthening for relieving over loading observed in Gujarat Intra-State System due to RE injections in Bhuj PS through Tariff Based Competitive Bidding (TBCB).
- (iii) Has signed a binding Share Purchase Agreement on 13th November, 2019, with REC Transmission Project Company Limited for acquisition of 100% Equity Share Capital of Lakadia Banaskantha Transco Limited (LBTL). LBTL was incorporated by REC Transmission Project Company Limited to establish "Transmission system associated with Renewable Energy generation at Bhuj-II, Dwarka & Lakadia through Tariff Based Competitive Bidding (TBCB).
- iv) Has signed Share Purchase Agreement on 13th November, 2019, with REC Transmission Project Company Limited for acquisition of 100% Equity Share Capital of Jam Khambhaliya Transco Limited (JKTL). JKTL was incorporated on 28th October, 2019 by REC Transmission Project Company Limited to establish Jam Khambhaliya Pooling Station and interconnection of Jam Khambhaliya Pooling station to provide connectivity to Renewable Energy projects (150 MW) in Dwarka (Gujarat) and installation of 400/220 KV ICT along with associated bays at Costal Gujarat Power Limited Switchyard through Tariff Based Competitive Bidding (TBCB).

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

62 (Contd.)

- v) Incorporated Arasan Infra Private Limited and Sunrays Infra Space Private Limited as a wholly owned subsidiary on 5th November 2019, Power Distribution Services Limited (Formerly known as 'Adani Electricity Mumbai Services Limited') on 6th December 2019 and Adani Electricity Mumbai Infra Limited on 3rd January 2020. (step down subsidiary of the Parent Company)
- vi) Received a Letter of Intent (LOI) for Transmission Project bid under TBCB in Maharashtra, from MSETCL for the Project "400 KV Kharghar Vikhroli Transmission Private Limited". This will be first ever 400 KV substation facility in the city of Mumbai.

(a) Fair value of assets acquired and liabilities recognised at the date of acquisition:

(₹ in Crores)

Particulars	Bikaner-Khetri Transmission Limited	WRSS XXI (A) Transco Limited	Lakadia Banaskantha Transco Limited	Jam Khambaliya Transco Limited
Assets				
Non-current assets				
Capital work-in-progress	15.87	10.48	9.97	3.96
	15.87	10.48	9.97	3.96
Current assets				
Cash balances	0.01	0.00	0.00	0.00
Other current assets	2.78	1.92	1.93	0.84
	2.79	1.92	1.93	0.84
Total Assets (i)	18.66	12.40	11.90	4.80
Current liabilities				
Short-term borrowing	16.80	-	-	-
Trade Payables	0.37	-	-	-
Other financial liabilities	1.49	12.89	12.60	5.40
	18.66	12.89	12.60	5.40
Total Liabilities (ii)	18.66	12.89	12.60	5.40
Net Assets (i-ii)	(0.00)	(0.49)	(0.70)	(0.60)

(b) Goodwill arising from acquisition:

(₹ in Crores)

Particulars	Bikaner-Khetri Transmission Limited	WRSS XXI (A) Transco Limited	Lakadia Banaskantha Transco Limited	Jam Khambaliya Transco Limited
Consideration Paid	0.01	0.05	0.05	0.05
Less: Fair value of net assets (i-ii)	(0.00)	(0.49)	(0.70)	(0.60)
Goodwill	0.01	0.54	0.75	0.65

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

(c) Net cash outflow on acquisition:

(₹ in Crores)

Particulars	Bikaner-Khetri Transmission Limited	WRSS XXI (A) Transco Limited	Lakadia Banaskantha Transco Limited	Jam Khambaliya Transco Limited
Total Consideration paid during the year	0.01	0.05	0.05	0.05
Total	0.01	0.05	0.05	0.05

As if this companies were acquired on 1st April 2019, the profitability would have been decreased by ₹ (1.94) Crores as per below table:-

(₹ in Crores)

Particulars	Bikaner-Khetri Transmission Limited	WRSS XXI (A) Transco Limited	Lakadia Banaskantha Transco Limited	Jam Khambaliya Transco Limited
Profitability Increase/(Decrease)	(0.00)	(0.54)	(0.75)	(0.65)

(d) Impact of acquisition on the results of the Group:

Included in the Statement of profit and loss after tax for the year ended 31st March 2020 is ₹ 7.09 Crores, ₹ 9.03 Crores, ₹ 3.89 Crores and ₹ 5.11 Crores attributable to the acquisition of the Bikaner Khetri Transmission Limited, WRSS XXI (A), Lakadia Banaskantha Transco Limited and Jam khambaliya Transco Limited respectively.

(e) The results of these subsidiaries, after elimination of inter company transactions and balances, as included in the consolidated financial statements for the year ended 31st March 2020 are given below:

(₹ in Crores)

Particulars	As at 31 st March 2020			
	Bikaner-Khetri Transmission Limited	WRSS XXI (A) Transco Limited	Lakadia Banaskantha Transco Limited	Jam Khambaliya Transco Limited
ASSETS				
Non-current Assets				
Capital Work-in-Progress	165.58	33.11	15.29	5.33
Income Tax Assets (net)	0.70	0.91	0.40	0.52
Other Non-current Assets	34.37	51.42	23.32	3.91
Total Non-current Assets	200.65	85.44	39.01	9.76
Current Assets				
(i) Trade Receivables	-	-	-	5.89
(ii) Cash and Cash Equivalents	0.61	0.04	1.06	1.05
(iii) Loans	50.00	75.00	1.00	50.00
(iv) Financial Assets – Others	6.51	8.19	3.63	4.71
(v) Other Current Assets	0.87	-	0.05	0.05
Total Current Assets	57.99	83.23	5.74	61.70
Total Assets	258.64	168.67	44.75	71.46
Liabilities				
Non-current Liabilities				
Financial Liabilities				
(i) Other Financial Liabilities	16.30	0.65	0.09	0.05
Provisions	0.14	0.06	0.06	-
Other Non-Current Liabilities	-	-	-	-
Total Non-current Liabilities	16.44	0.71	0.15	0.05

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

62 (Contd..)

(₹ in Crores)

Particulars	As at 31 st March 2020			
	Bikaner-Khetri Transmission Limited	WRSS XXI (A) Transco Limited	Lakadia Banaskantha Transco Limited	Jam Khambaliya Transco Limited
Current Liabilities				
Financial Liabilities				
(i) Borrowings	30.54	-	-	-
(ii) Trade Payables	0.02	0.02	0.03	5.91
(iii) Other Financial Liabilities	90.23	16.31	1.94	0.00
Other Current Liabilities	-	-	0.50	-
Provisions	0.04	0.02	0.01	0.02
Current Tax Liabilities	0.83	0.69	-	0.42
Total Current Liabilities	121.66	17.04	2.48	6.35
Total Liabilities	138.10	17.75	2.63	6.40

(₹ in Crores)

Particulars	For the Period			
	19 th September 2019 to 31 st March 2020	14 th October 2019 to 31 st March 2020	13 th November 2019 to 31 st March 2020	13 th November 2019 to 31 st March 2020
Total Revenue	7.10	9.43	4.33	5.64
Total Expenses	0.00	0.40	0.43	0.51
Profit / (Loss) before tax	7.10	9.03	3.90	5.13
Tax	(0.01)	-	(0.01)	(0.02)
Profit / (Loss) after tax	7.09	9.03	3.89	5.11

63 Other Disclosures

- (i) Due to outbreak of COVID-19 globally and in India, the Group's management has made initial assessment of impact on business and financial risks on account of COVID-19. Considering that the Group is in the business of Generation, Transmission and Distribution of Power which is considered to be an Essential Service, the management believes that the impact of this outbreak on the business and financial position of the Group will not be significant. The management does not see any risks in the Group's ability to continue as a going concern and meeting its liabilities as and when they fall due.
- (ii) The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of consolidated financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the consolidated financial statements. As of 9th May, 2020, there are no subsequent events to be recognized or reported that are not already disclosed.
- (iii) The Consolidated Financial Statements for the year ended 31st March, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 09th May, 2020.

As per our attached report of even date
For Deloitte Haskins & Sells LLP
 Chartered Accountants
 Firm Registration Number: 117366W/W-100018

MOHAMMED BENGALI
 Partner
 (Membership No. 105828)

For and on behalf of the Board of Directors
ADANI TRANSMISSION LIMITED

GAUTAM S. ADANI
 Chairman
 DIN: 00006273

KAUSHAL SHAH
 Chief Financial Officer

ANIL SARDANA
 Managing Director and
 Chief Executive Officer
 DIN: 00006867

JALADHI SHUKLA
 Company Secretary

Place: Mumbai
 Date: 9th May 2020

Place: Ahmedabad
 Date: 09th May 2020

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

Form No. AOC-I

Salient features of the financial statement of subsidiaries as per Companies Act, 2013

PART "A": Subsidiaries

Sr. No.	Name of the Subsidiary	Reporting Period	Reporting Currency	Share Capital	Unsecured Perpetual Equity Instrument	Instrument Entirely Equity in Nature	Reserves & Surplus'	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) after Taxation	Proposed Dividend	% of Shareholding
1	Adani Transmission (India) Limited	2019-20	INR	285.86	-	-	1,824.61	4,183.23	2,072.76	8.48	976.01	379.77	67.11	312.66	-	100%
2	Maharashtra Eastern Grid Power Transmission Company Limited	2019-20	INR	1,076.34	-	-	1,265.40	5,028.38	2,686.64	37.45	1,015.29	272.95	47.86	225.09	-	100%
3	Sipat Transmission Limited	2019-20	INR	44.00	-	-	17.01	620.81	559.80	0.04	98.95	34.50	8.84	25.66	-	100%
4	Raipur-Rajnandgaon-Warora Transmission Limited	2019-20	INR	91.10	-	-	47.18	1,409.56	1,271.28	-	226.81	79.66	20.77	58.89	-	100%
5	Chhattisgarh-WR Transmission Limited	2019-20	INR	68.00	-	-	31.42	1,072.46	973.04	-	151.52	45.44	12.77	32.67	-	100%
6	Adani Transmission (Rajasthan) Limited	2019-20	INR	8.50	-	-	4.02	143.14	130.62	-	21.31	4.91	2.31	2.60	-	100%
7	North Karanpura Transco Limited	2019-20	INR	0.05	-	31.57	(2.78)	166.65	137.81	-	-	(0.01)	-	(0.01)	-	100%
8	Maru Transmission Service Company Limited	2019-20	INR	8.94	-	-	11.44	226.23	205.85	3.58	35.99	4.20	0.68	3.52	-	100%
9	Aravali Transmission Service Company Limited	2019-20	INR	5.23	-	-	(8.21)	143.04	146.02	4.70	22.32	0.90	0.15	0.75	-	100%
10	Western Transco Power Limited	2019-20	INR	10.00	-	-	140.92	675.71	524.79	11.10	73.65	17.64	10.29	7.35	-	100%
11	Western Transmission (Gujarat) Limited	2019-20	INR	10.00	-	-	95.79	375.92	270.13	2.18	43.47	15.23	5.86	9.37	-	100%
12	Hadoti Power Transmission Service Limited	2019-20	INR	10.00	-	-	26.98	196.85	159.87	-	48.08	25.84	7.52	18.32	-	100%

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

Form No. AOC-I (Contd..)

Sr. No.	Name of the Subsidiary	Reporting Period	Reporting Currency	Share Capital	Unsecured Perpetual Equity Instrument	Instrument Entirely Equity in Nature	Reserves & Surplus ¹	Total Assets	Total Liabilities	Investments Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) after Taxation	Proposed Dividend	% of Shareholding
13	Barmer Power Transmission Service Limited	2019-20	INR	8.00	-	-	24.71	148.08	115.37	0.70	38.81	20.36	5.92	14.44	100%
14	Thar Power Transmission Service Limited	2019-20	INR	7.00	-	-	19.46	131.14	104.68	-	34.87	17.57	5.12	12.45	100%
15	Fatehgarh-Bhadla Transmission Limited	2019-20	INR	25.50	-	-	(0.29)	413.69	388.48	-	0.03	0.01	0.02	-	100%
16	Adani Electricity Mumbai Limited	2019-20	INR	4,020.82	-	-	503.51	19,705.86	15,181.53	185.07	7,705.36	252.80	202.58	50.22	74.90%
17	Ghatampur Transmission Limited	2019-20	INR	82.25	-	25.43	0.35	1,178.35	1,070.32	48.67	-	0.56	0.14	0.42	100%
18	Adani Transmission Bikaner Sikar Private Limited (Formerly Known as KEC Bikaner Sikar Transmission Private Limited)	2019-20	INR	10.00	-	-	33.66	222.55	178.89	3.61	27.85	7.33	2.06	5.27	100%
19	OBRA-C Badaun Transmission Limited	2019-20	INR	55.50	-	-	(0.10)	248.38	192.98	7.10	-	(0.05)	0.02	(0.08)	100%
20	AEML Infrastructure Limited	2019-20	INR	0.01	-	-	(0.01)	21.03	21.03	-	-	(0.00)	-	(0.00)	100%
21	Bikaner Khetri Transmission Limited ²	19 th September 2019 to 31 st March 2020	INR	0.01	-	-	0.01	258.64	258.62	-	-	0.03	0.01	0.02	100%
22	WRSS XXI (A) Transco Limited ²	14 th October 2019 to 31 st March 2020	INR	0.05	-	-	(0.60)	168.68	169.23	-	-	(0.60)	-	(0.60)	100%
23	Lakadia Banaskantha Transco Limited ²	13 th November 2019 to 31 st March 2020	INR	0.05	-	-	(1.04)	44.74	45.73	-	-	(1.03)	0.00	(1.03)	100%

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

Form No. AOC-I (Contd..)

Sr. No.	Name of the Subsidiary	Reporting Period	Reporting Currency	Share Capital	Unsecured Perpetual Equity Instrument	Instrument Entirely Equity in Nature	Reserves & Surplus ¹	Total Assets	Total Liabilities	Investments Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) after Dividend Taxation	% of Shareholding
24	Jam Khambhaliya Transco Limited ²	13 th November 2019 to 31 st March 2020	INR	0.05	-	-	(0.90)	71.47	72.32	-	5.89	0.02	(0.90)	100%
25	Arasan Infra Private Limited	05 th November 2019 to 31 st March 2020	INR	0.01	-	-	(0.12)	114.54	114.64	-	16.08	(0.12)	-	100%
26	Sunrays Infra Space Private Limited	05 th November 2019 to 31 st March 2020	INR	0.01	-	-	0.01	532.43	532.41	-	16.08	0.02	0.01	100%
27	Power Distribution Services Limited (Formerly known as Adani Electricity Mumbai Services Limited ³)	06 th December 2019 to 31 st March 2020	INR	0.01	-	-	(0.00)	0.01	0.00	-	(0.00)	-	(0.00)	74.90%
28	Adani Electricity Mumbai Infra Limited	03 rd January 2020 to 31 st March 2020	INR	0.01	-	-	(0.00)	1.02	1.01	-	(0.00)	-	(0.00)	74.90%

- Reserves & Surplus includes Other Comprehensive Income
- Date of Acquisition by the company:
Bikaner-Khetri Transmission Limited - 19th September 2019
WRSS XXI (A) Transco Limited - 14th October 2019
Lakadia Banaskantha Transco Limited - 13th November 2019
Jam Khambhaliya Transco Limited - 13th November 2019
- Adani Transmission (Rajasthan) Limited has entered into a contract (Transmission Service Agreement) with Rajasthan Rajya Vidyut Prasaran Nigam Limited (RRVPNL) providing for the issue and allotment of one non-transferable equity share of the Company (the "Golden Share") in favour of the RRVPNL.
- Adani Transmission Bikaner Sikar Private Limited has entered into a contract (Transmission Service Agreement) with Rajasthan Rajya Vidyut Prasaran Nigam Limited (RRVPNL) providing for the issue and allotment of one non-transferable equity share of the Company (the "Golden Share") in favour of the RRVPNL.

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

Form No. AOC-I (Contd..)

5. Date of incorporation of subsidiary company:
 Arasan Infra Private Limited - 05th November 2019
 Sunrays Infra Space Private Limited - 05th November 2019
 Power Distribution Services Limited (Formerly known as 'Adani Electricity Mumbai Services Limited') - 06th December 2019
 Adani Electricity Mumbai Infra Limited - 03rd January 2020
6. Name of the Subsidiaries which are yet to commence operations

Sr. No.	1	2	3	4	5	6	7	8
Name of the Subsidiary	Ghatampur Transmission Limited	OBRA-C Badaun Transmission Limited	North Karanpura Transco Limited	Fatehgarh-Bhadla Transmission Limited	Bikaner Khetri Transmission Limited ²	WRSS XXI (A) Transco Limited ²	Lakadia Banaskantha Transco Limited ²	Jam Khambhaliya Transco Limited ²
Sr. No.	9	10	11					
Name of the Subsidiary	Power Distribution Services Limited (Formerly known as 'Adani Electricity Mumbai Services Limited')	AEML Infrastructure Limited	Adani Electricity Mumbai Infra Limited					

Note: There are no associate companies or joint ventures companies within the meaning of Section 2(6) of the Companies Act, 2013. Hence, Part B relating to the same is not applicable.

For and on behalf of the Board
ADANI TRANSMISSION LIMITED

GAUTAM S. ADANI
 Chairman
 DIN: 00006273

ANIL SARDANA
 Managing Director and
 Chief Executive Officer
 DIN: 00006867

KAUSHAL SHAH
 Chief Financial Officer

JALADHI SHUKLA
 Company Secretary

Place: Ahmedabad
 Date: 9th May 2020

NOTICE

NOTICE is hereby given that the 7th Annual General Meeting of Adani Transmission Limited will be held on Thursday, 25th June 2020 at 10.00 a.m. through video conferencing / Other Audio Visual Means to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) for the financial year ended on 31st March 2020 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rajesh S. Adani (DIN: 00006322), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 42, 62 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) (the "Companies Act"), the Foreign Exchange Management Act, 1999, as amended or restated ("FEMA"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended or restated (the "ICDR Regulations"), the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended or restated, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2000, as amended or restated, and subject to all other applicable laws, statutes, rules, circulars, notifications, regulations and guidelines of the Government of India, the Securities and Exchange Board of India (the "SEBI"), the Reserve Bank of India (the "RBI"), the relevant stock exchanges where the equity shares of the Company are listed (the "Stock Exchanges") and all other appropriate statutory and regulatory authorities, as may be applicable or relevant, whether in India or overseas (hereinafter collectively referred to as the "Appropriate Authorities"), the enabling provisions of the Memorandum and Articles of Association of the Company, as amended, and the listing agreements entered into by the Company with the Stock Exchanges and subject to requisite approvals, consents, permissions and sanctions, if any, of the Appropriate Authorities and subject to such

conditions and modifications as may be prescribed by any of them in granting any such approvals, consents, permissions, and sanctions (hereinafter referred as the "Requisite Approvals") which may be agreed to by the Board of Directors of the Company (hereinafter referred as the "Board" which term shall be deemed to include any committee constituted or to be constituted by the Board to exercise its powers including the powers conferred by this resolution, or any person(s) authorised by the Board or its committee for such purposes), consent of the Company be and is hereby accorded to the Board in its absolute discretion, to create, offer, issue and allot, from time to time in either one or more international offerings, in one or more foreign markets, in one or more tranches and/or in the course of one or more domestic offering(s) in India, such number of equity shares and/or any securities linked to, convertible into or exchangeable for equity shares including without limitation through Global Depository Receipts ("GDRs") and/or American Depository Receipts ("ADRs") and/or convertible preference shares and/or convertible debentures (compulsorily and/or optionally, fully and/or partly) and/or Commercial Papers and/or warrants with a right exercisable by the warrant holder to exchange or convert such warrants with equity shares of the Company at a later date simultaneously with the issue of non-convertible debentures and/or Foreign Currency Convertible Bonds ("FCCBs") and/or Foreign Currency Exchangeable Bonds ("FCEBs") and/or any other combination of permitted fully and/or partly paid securities/ instruments/ warrants, convertible into or exchangeable for equity shares at the option of the Company and/or holder(s) of the security(ies) and/or securities linked to equity shares (hereinafter collectively referred to as "Securities"), in registered or bearer form, secured or unsecured, listed on a recognized stock exchange in India or abroad whether rupee denominated or denominated in foreign currency, to such investors who are eligible to acquire such Securities in accordance with all applicable laws, rules, regulations, guidelines and approvals, through public issue(s), rights issue(s), preferential issue(s), private placement(s) and / or qualified institutional placement in terms of Chapter VIII of the SEBI (ICDR) Regulations or any combinations thereof, through any prospectus, offer document, offer letter, offer circular, placement document or otherwise, at such time or times and at such price or prices subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, at a discount or premium to market price or prices in such manner and on such terms and conditions including as regards security, rate of interest, etc., as may be

NOTICE (Contd.)

deemed appropriate by the Board in its absolute discretion, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, for an aggregate amount, not exceeding ₹ 2,500 Crores (Rupees Two Thousand Five Hundred Crores Only) or foreign currency equivalent thereof, at such premium as may from time to time be decided by the Board and the Board shall have the discretion to determine the categories of eligible investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of investors at the time of such offer, issue and allotment considering the prevailing market conditions and all other relevant factors and where necessary in consultation with advisor(s), lead manager(s), and underwriter(s) appointed by the Company.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue(s) of Securities may, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, have all or any terms, or combination of terms, in accordance with domestic and/or international practice, including, but not limited to, conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever and all other such terms as are provided in offerings of such nature including terms for issue of additional equity shares or variation of the conversion price of the Securities during the duration of the Securities.

RESOLVED FURTHER THAT in case of any offering of Securities, including without limitation any GDRs/ ADRs/ FCCBs/FCEBs/other securities convertible into equity shares, consent of the shareholders be and is hereby given to the Board to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion, redemption or cancellation of any such Securities referred to above in accordance with the terms of issue/offering in respect of such Securities and such equity shares shall rank pari passu with the existing equity shares of the Company in all respects, except as may be provided otherwise under the terms of issue/offering and in the offer document and/or offer letter and/or offering circular and /or listing particulars.

RESOLVED FURTHER THAT the Board be and is hereby authorised to engage, appoint and to enter into and execute all such agreement(s)/arrangement(s)/ MoUs/ placement agreement(s)/ underwriting agreement(s)/ deposit agreement(s)/ trust deed(s)/ subscription agreement/ payment and conversion agency agreement/ any other agreements or documents with any consultants, lead manager(s), co-lead manager(s),

manager(s), advisor(s), underwriter(s), guarantor(s), depository(ies), custodian(s), registrar(s), agent(s) for service of process, authorised representatives, legal advisors / counsels, trustee(s), banker(s), merchant banker(s) and all such advisor(s), professional(s), intermediaries and agencies as may be required or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees and such other expenses as it deems fit, listing of Securities in one or more Indian/ International Stock Exchanges, authorizing any director(s) or any officer(s) of the Company, severally, to sign for and on behalf of the Company offer document(s), arrangement(s), application(s), authority letter(s), or any other related paper(s)/documents(s), give any undertaking(s), affidavit(s), certification(s), declaration(s) including without limitation the authority to amend or modify such document(s).

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, consent of the members of the Company be and is hereby accorded to the Board to do all such acts, deeds, matters and/ or things, in its absolute discretion and including, but not limited to finalization and approval of the preliminary as well as final document(s), determining the form, terms, manner of issue, the number of the Securities to be allotted, timing of the issue(s)/ offering(s) including the investors to whom the Securities are to be allotted, issue price, face value, number of equity shares or other securities upon conversion or redemption or cancellation of the Securities, premium or discount on issue /conversion/ exchange of Securities, if any, rate of interest, period of conversion or redemption, listing on one or more stock exchanges in India and / or abroad and any other terms and conditions of the issue, including any amendments or modifications to the terms of the Securities and any agreement or document (including without limitation, any amendment or modification, after the issuance of the Securities), the execution of various transaction documents, creation of mortgage/charge in accordance with the provisions of the Companies Act and any other applicable laws or regulations in respect of any Securities, either on a pari passu basis or otherwise, fixing of record date or book closure and related or incidental matters as the Board in its absolute discretion deems fit and to settle all questions, difficulties or doubts that may arise in relation to the issue, offer or allotment of the Securities, accept any modifications in the proposal as may be required by the Appropriate Authorities in such issues in India and / abroad and subject to applicable law, for the utilization of the issue proceeds as it may in its absolute discretion deem fit

without being required to seek any further consent or approval of the members or otherwise to the end and intent and that the members shall be deemed to have given their approval thereto for all such acts, deeds, matters and/or things, expressly by the authority of this resolution.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board is authorised on behalf of the Company to take all actions and to do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of aforesaid Securities and listing thereof with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of any of the Securities, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Company and/or any agency or body authorised by the Company may, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, issue certificates and/or depository receipts including global certificates representing the Securities with such features and attributes as are prevalent in international and/or domestic capital markets for instruments of such nature and to provide for the tradability or transferability thereof as per the international and/or domestic practices and regulations, and under the forms and practices prevalent in such international and/or domestic capital markets.

RESOLVED FURTHER THAT the Company may enter into any arrangement with any agency or body for the issue, upon conversion of the Securities, of equity shares of the Company in registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the international practices and/or domestic practices and regulations, and under the forms and practices prevalent in international and/or domestic capital markets.

RESOLVED FURTHER THAT the Securities may be redeemed and/or converted into and/or exchanged for the equity shares of the Company (or exchanged

for equity shares of another company as permitted under applicable law), subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, in a manner as may be provided in the terms of their issue.

RESOLVED FURTHER THAT in case of a Qualified Institutional Placement (QIP) pursuant to Chapter VIII of the SEBI (ICDR) Regulations, the allotment of eligible securities within the meaning of Chapter VIII of the SEBI (ICDR) Regulations shall only be made to Qualified Institutional Buyers (QIBs) within the meaning of Chapter VIII of the SEBI (ICDR) Regulations, such securities shall be fully paid-up and the allotment of such securities shall be completed within 12 months from the date of the resolution approving the proposed issue by the members of the Company or such other time as may be allowed by SEBI (ICDR) Regulations from time to time and that the securities be applied to the National Securities Depository Limited and/or Central Depository Services (India) Limited for admission of the eligible securities to be allotted as per Chapter VIII of the SEBI (ICDR) Regulations.

RESOLVED FURTHER THAT the relevant date for the purpose of pricing of the Securities by way of QIP/GDRs/ ADRs/FCCBs/FCEBs or by way of any other issue(s) shall be the date as specified under the applicable law or regulation or it shall be the date of the meeting in which the Board decides to open the issue.

RESOLVED FURTHER THAT the Board and other designated officers of the Company be and are hereby severally authorised to make all filings including as regards the requisite listing application/ prospectus/ offer document/registration statement, or any draft(s) thereof, or any amendments or supplements thereof, and of any other relevant documents with the Stock Exchanges (in India or abroad), the RBI, the FIPB, the SEBI, the Registrar of Companies and such other authorities or institutions in India and/or abroad for this purpose and to do all such acts, deeds and things as may be necessary or incidental to give effect to the resolutions above and the Common Seal of the Company be affixed wherever necessary.

RESOLVED FURTHER THAT such of these Securities as are not subscribed may be disposed off by the Board in its absolute discretion in such manner, as the Board may deem fit and as permissible by law.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of its powers conferred by this resolution on it, to any Committee of directors or the Managing Director or Directors or any

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other officer of the Company, in order to give effect to the above resolutions.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects."

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 12 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, the Registered Office of the Company be shifted from "Adani House", Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380 009 to "Adani Corporate House", Shantigram, Near Vaishnav Devi Circle, S. G. Highway, Khodiyar, Ahmedabad 382 421, which is outside the local limits of the city, but within the same state falling under the jurisdiction of Registrar of Companies, Gujarat.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized

to file necessary forms and documents, as may be required and to do all such acts, deeds and things as may be deemed fit and proper for shifting of registered office of the Company."

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in terms of applicable provisions of Listing Agreement executed with the Stock Exchanges, consent of the members be and is hereby accorded for ratification / approval of material related party transaction(s) as set out in the explanatory statement annexed to the notice convening this meeting.

RESOLVED FURTHER THAT the Board of Directors thereof be and is hereby authorised to take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution."

Date: 9th May 2020
Place: Ahmedabad

For and on behalf of the Board

Registered Office:
"Adani House",
Near Mithakhali Six Roads,
Navrangpura, Ahmedabad - 380 009
Gujarat, India.
CIN: L40300GJ2013PLC077803

Jaladhi Shukla
Company Secretary

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs has allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and dispensed the personal presence of the members at the meeting vide its Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 prescribing the procedures and manner of conducting the Annual General Meeting through VC/OVAM. In terms of the said circulars, the 7th Annual General Meeting (AGM) of the members will be held through VC/OAVM. Hence, members can attend and participate in the
2. The helpline number regarding any query / assistance for participation in the AGM through VC/OAVM is 1800225533.
3. Information regarding appointment/re-appointment of Directors and Explanatory Statement in respect of special businesses to be transacted pursuant to Section 102 of the Companies Act, 2013 and/or Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto.

4. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. In line with the aforesaid Ministry of Corporate Affairs (MCA) Circulars the Notice of AGM alongwith Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Member may note that Notice and Annual Report 2019-20 has been uploaded on the website of the Company at www.adanitransmission.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. www.evotingindia.com.
7. The Register of members and share transfer books of the Company will remain closed from Thursday, 18th June 2020 to Thursday, 25th June 2020 (both days inclusive) for the purpose of Annual General Meeting.
8. Shareholders seeking any information with regard to accounts are requested to write to the Company atleast 10 days before the meeting so as to enable the management to keep the information ready.
9. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the R & T Agent of the Company. In case shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.
10. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to individual shareholders holding shares in the physical mode. The shareholders who are desirous of availing this facility, may kindly write to Company's R & T Agent for nomination form by quoting their folio number.
11. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode.
12. The Members can join the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
13. Process and manner for members opting for voting through Electronic means:
 - i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) as the Authorised e-voting agency for facilitating voting through electronic means. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by CDSL.
 - ii. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. Thursday 18th June 2020, shall be entitled to avail the facility of remote e-voting as well as e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
 - iii. A person who has acquired the shares and has become a member of the Company after the despatch of the Notice of the AGM and prior to

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the Cut-off date i.e. Thursday, 18th June, 2020, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting system on the date of the AGM by following the procedure mentioned in this part.

- iv. The remote e-voting will commence on Sunday, 21st June 2020 at 9.00 a.m. and will end on Wednesday, 24th June 2020 at 5.00 p.m. During this period, the members of the Company holding shares either in physical mode or in demat mode as on the Cut-off date i.e. Thursday, 18th June 2020 may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by CDSL thereafter.
 - v. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
 - vi. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e. Thursday, 18th June 2020.
 - vii. The Company has appointed CS Chirag Shah, Practising Company Secretary (Membership No. FCS: 5545; CP No: 3498), to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.
14. **Process for those members whose email ids are not registered:**
- a) For members holding shares in Physical mode - please provide necessary details like Folio No., Name of shareholder by email to jaladhi.shukla@adani.com.

(viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat mode and Physical mode	
PAN	<p>Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- b) Members holding shares in Demat mode can get their E-mail ID registered by contacting their respective Depository Participant or by email to jaladhi.shukla@adani.com.

15. **THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE VOTING ARE AS UNDER:**

- (i) The voting period begins on Sunday, 21st June 2020 at 9.00 a.m. and ends on Wednesday, 24th June 2020 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday, 18th June 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical mode will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical mode, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN of the Company - ADANI TRANSMISSION LIMITED on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows**

Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) **Note for Non - Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company, if voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

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16. THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ON THE DAY OF THE AGM ON e-VOTING SYSTEM ARE AS UNDER: -

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
 2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available in the AGM.
 3. If any Votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members participating in the meeting.
 4. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
17. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.adanitransmission.com and on the website of CDSL i.e. www.cdslindia.com within three days of the passing of the Resolutions at the 7th Annual General Meeting of the Company and shall also be communicated to the Stock Exchanges where the shares of the Company are listed.

18. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM or view

the live webcast of AGM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders'/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. For ease of conduct, members who would like to ask questions may send their questions in advance atleast (7) days before AGM mentioning their name, demat account number/ folio number, email id, mobile number at jaladhi.shukla@adani.com and register themselves as a speaker. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.
6. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

Contact Details:

Company	Adani Transmission Limited Regd. Office: "Adani House ", Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380 009, Gujarat, India CIN: L40300GJ2013PLC077803 E-mail: jaladhi.shukla@adani.com
Registrar and Transfer Agent	M/s. Link Intime India Private Limited 5 th Floor, 506-508, Amarnath Business Centre – 1 (ABC-1), Beside Gala Business Centre, Off C. G. Road, Navrangpura, Ahmedabad – 380 009. Tel: +91-79-26465179 Fax : +91-79-26465179 E-mail: ahmedabad@linkintime.co.in
e-Voting Agency	Central Depository Services (India) Limited E-mail: helpdesk.evoting@cdslindia.com Phone: 022- 22723333 / 8588
Scrutinizer	CS Chirag Shah Practising Company Secretary E-mail: pcschirag@gmail.com

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND / OR REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

For Item No. 3:

The Company proposes to have flexibility to infuse additional capital, to tap capital markets and to raise additional long term resources, if necessary in order to sustain rapid growth in the business, for business expansion and to improve the financial leveraging strength of the Company. The proposed resolution seeks the enabling authorization of the members to the Board of Directors to raise funds to the extent of ₹ 2,500 Crores (Rupees Two Thousand Five Hundred Crores Only) or its equivalent in any one or more currencies, in one or more tranches, in such form, on such terms, in such manner, at such price and at such time as may be considered appropriate by the Board (inclusive at such premium as may be determined) by way of issuance of equity shares of the Company ("Equity Shares") and/or any instruments or securities including Global Depository Receipts ("GDRs") and/or American Depository Receipts ("ADRs") and/or convertible preference shares and/ or convertible debentures (compulsorily and/or optionally, fully and/or partly) and/or non-convertible debentures (or other securities) with warrants, and/or warrants with a right exercisable by the warrant holder to exchange or convert such warrants with equity shares of the Company at a later date simultaneously with the issue of Foreign Currency Convertible Bonds ("FCCBs") and/or Foreign Currency Exchangeable Bonds ("FCEBs") and/or any other combination of permitted fully and/or partly paid securities/ instruments/warrants, convertible into or exchangeable for equity shares at the option of the Company and/ or holder(s) of the security(ies) and/or securities linked to equity shares (hereinafter collectively referred to as "Securities"), in registered or bearer form, secured or unsecured, listed on a recognized stock exchange in India or abroad whether rupee denominated or denominated in foreign currency by way of private placement or otherwise.

The Special Resolution also seeks to empower the Board of Directors to undertake a Qualified Institutional Placement (QIP) with Qualified Institutional Buyers (QIBs) as defined by SEBI under Issue of Capital and Disclosure Requirements Regulations, 2009. The Board of Directors may in their discretion adopt this mechanism as prescribed under Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. Further in case the Company decides to issue eligible securities within the meaning of Chapter VIII of the SEBI Regulations to Qualified Institutional Investors, it will be subject to the provisions

of Chapter VIII of the SEBI Regulations as amended from time to time. The aforesaid securities can be issued at a price after taking into consideration the pricing formula prescribed in Chapter VIII of the SEBI (ICDR) Regulations. Allotment of securities issued pursuant to Chapter VIII of SEBI Regulations shall be completed within twelve months from the date of passing of the resolution under Section 42 and 62 of the Companies Act, 2013. This Special Resolution gives (a) adequate flexibility and discretion to the Board to finalise the terms of the issue, in consultation with the Lead Managers, Underwriters, Legal Advisors and experts or such other authority or authorities as need to be consulted including in relation to the pricing of the Issue which will be a free market pricing and may be at premium or discount to the market price in accordance with the normal practice and (b) powers to issue and market any securities issued including the power to issue such Securities in such tranche or tranches with/without voting rights or with differential voting rights.

The detailed terms and conditions for the issue of Securities will be determined in consultation with the advisors, and such Authority/Authorities as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

The consent of the shareholders is being sought pursuant to the provisions of Section 42, 62 and other applicable provisions of the Companies Act, 2013 and in terms of the provisions of the listing agreement executed by the Company with Stock Exchanges where the Equity Shares of the Company are listed. Since the resolution involves issue of Equity Shares to persons other than existing shareholders, special resolution in terms of Section 42 and 62 of the Companies Act, 2013 is proposed for your approval. The amount proposed to be raised by the Company shall not exceed ₹ 2,500 Crores (Rupees Two Thousand Five Hundred Crores Only).

The Equity shares, which would be allotted, shall rank in all respects pari passu with the existing Equity Shares of the Company, except as may be provided otherwise under the terms of issue/offering and in the offer document and/or offer letter and/or offering circular and/or listing particulars.

The Board of Directors recommends the said resolution for your approval.

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None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

For Item No. 4

The existing Registered Office of the Company's is located at "Adani House", Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad-380009, which is within the local limits of Ahmedabad. The Company has set up new office premises in the name of "Adani Corporate House" which is situated at Shantigram, Near Vaishnav Devi Circle, S. G. Highway, Khodiyar, Ahmedabad 382 421. The following are some of the advantages for shifting of registered office of the Company to the new address -

- The Adani group has built its own new multi-storied and spacious office building for integration of operations of all group companies at one central office place.
- Synergy of operations leading to administrative convenience.
- Single point of contact for all the stakeholders of the Adani Group of Companies and its subsidiaries/ associates etc.

- To avoid multiple office locations and reduce rental and incidental costs for managing offices at various locations.

The proposed registered office falls outside the local limits of Ahmedabad city and pursuant to the provisions of section 12(5) of the Act, shifting of registered office to the new address as mentioned in the Special Resolution, outside the local limits of the city, requires approval of the members by way of a Special Resolution.

The Board of Directors recommends the above resolution for your approval.

None of the other Directors or key managerial personnel or their relatives is, in anyway, concerned or interested in the said resolution.

For Item No. 5:

Pursuant to the provisions of Section 188 of the Companies Act, 2013 read with rules made thereunder and in terms of applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), consent of members by way of an ordinary resolution is required for ratification/ approval of material related party transactions entered into by the Company with related party.

During the year under review, no new transaction took place, however the Company carried forward the following material transaction(s) with the related party -

			(₹ in Crores)
Name of the Related Party	Nature of Relationship	Nature of transaction	Outstanding as at 31.03.2020
Adani Infra (India) Ltd.	Significant influence by KMP	Unsecured Perpetual Equity Instrument	3,279.42

The Company had issued Unsecured Perpetual Equity Instrument (the "Instrument") to Adani Infra (India) Limited (AAIL) in 2017-18 & 2018-19. This investment by AAIL is perpetual in nature with no maturity or redemption and is callable only at the option of the Company. The obligation of the Company to repay the outstanding amounts shall rank on a pari passu basis with the obligations of the company to make payments/distributions in relation to any parity securities issued/ to be issued by the company and be senior to the obligations of the company to make payments/distributions in relation to preference and equity share capital and any other securities at par with preference and equity share capital of the Company.

As this Instrument are perpetual in nature and ranked senior only to the Share Capital of the Company and the Company does not have any redemption obligation, these are considered to be in the nature of equity instruments.

Rationale for the transaction- This amount was invested in ATL by AAIL to support acquisition of Adani Electricity Mumbai Limited's (AEML) Business which is in the Gateway city/Financial Capital of India and is considered as a marquee asset for the Company's entry into retail electricity distribution business. To support this acquisition for sustainable growth with proper Debt: Equity mix, the Promoter group which is already holding 74.92% in the company, had to be approached by management for urgent financial assistance in the manner that its recognised as an equity instrument for lenders to support with their corporate financing. Basis negotiations, the Promoters agreed to contribute significant sum of equity alike instrument, with reasonable equity returns on the amount and agreeing to deeply subordinate the sum provided, in the form of Perpetual Equity. Accordingly, the sum provided accrues 11.8% pa return on the same

with mutually agreeable payment terms. The original sum contributed along with carrying costs can only be paid only against the equity sum to be mobilised by the company. Thus the amount received is from related party but it's a facilitation sum that the Company needed for marquee acquisition and is rather a huge support lent by Promoter.

As per the SEBI Listing Regulations, all related parties of the Company shall abstain from voting on the said resolution.

The Board of Directors recommends the said resolution for your approval.

Mr. Gautam S. Adani and Mr. Rajesh S. Adani and their relatives are deemed to be concerned or interested in this resolution. None of the other Directors or key managerial personnel or their relatives is, in anyway, concerned or interested in the said resolution.

Date: 9th May 2020
Place: Ahmedabad

For and on behalf of the Board

Registered Office:
"Adani House",
Near Mithakhali Six Roads,
Navrangpura, Ahmedabad – 380 009
Gujarat, India.
CIN: L40300GJ2013PLC077803

Jaladhi Shukla
Company Secretary

ANNEXURE TO NOTICE**Details of Directors seeking Appointment / Re-appointment**

Name of Director	Age, Date of Birth (No. of Shares held)	Qualification	Nature of expertise in specific functional area	Name of the companies in which he holds directorship as on 31 st March 2020	Name of committees in which he holds membership/ chairmanship as on 31 st March 2020
Mr. Rajesh S. Adani (DIN: 00006322)	55 Years 07.12.1964 (1)#	S.Y. B. Com	Mr. Rajesh S. Adani has been associated with Adani Group since its inception. He is in charge of the operations of the Group and has been responsible for developing its business relationships. His proactive, personalized approach to the business and competitive spirit has helped towards the growth of the Group and its various businesses.	<ul style="list-style-type: none"> Adani Enterprises Limited^{^^} Adani Power Limited ^{^^} Adani Transmission Limited^{^^} Adani Ports and Special Economic Zone Limited^{^^} Adani Green Energy Limited^{^^} Adani Welspun Exploration Limited Adani Institute for Education and Research [Section 8 Company] 	<ul style="list-style-type: none"> Adani Enterprises Limited Audit Committee (Member) Stakeholder's Relationship Committee (Member) Corporate Social Responsibility Committee (Chairman) Risk Management Committee (Chairman) Adani Ports and Special Economic Zone Limited Audit Committee (Member) Stakeholders' Relationship Committee (Chairman) Nomination & Remuneration Committee (Member) Sustainability & Corporate Social Responsibility Committee (Chairman) Risk Management Committee (Chairman) Adani Transmission Limited Stakeholders' Relationship Committee (Member) Corporate Social Responsibility & Sustainability (CSR&S) Committee (Chairman) Risk Management Committee (Member) Adani Green Energy Limited Audit Committee (Member) Stakeholders' Relationship Committee (Chairman) Nomination & Remuneration Committee (Member) Corporate Social Responsibility Committee (Member) Risk Management Committee (Member) Adani Power Limited Audit Committee (Member) Stakeholders' Relationship Committee (Member) Sustainability & Corporate Social Responsibility Committee (Chairman) Risk Management Committee (Chairman)

#Individual Capacity ^{^^}Listed Companies.

For, other details such as number of meetings of the board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of above directors, please refer to the Corporate Governance Report.

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses. In respect of electronic holding with the Depository through concerned Depository Participant.

adani

Transmission

Adani Transmission Limited

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