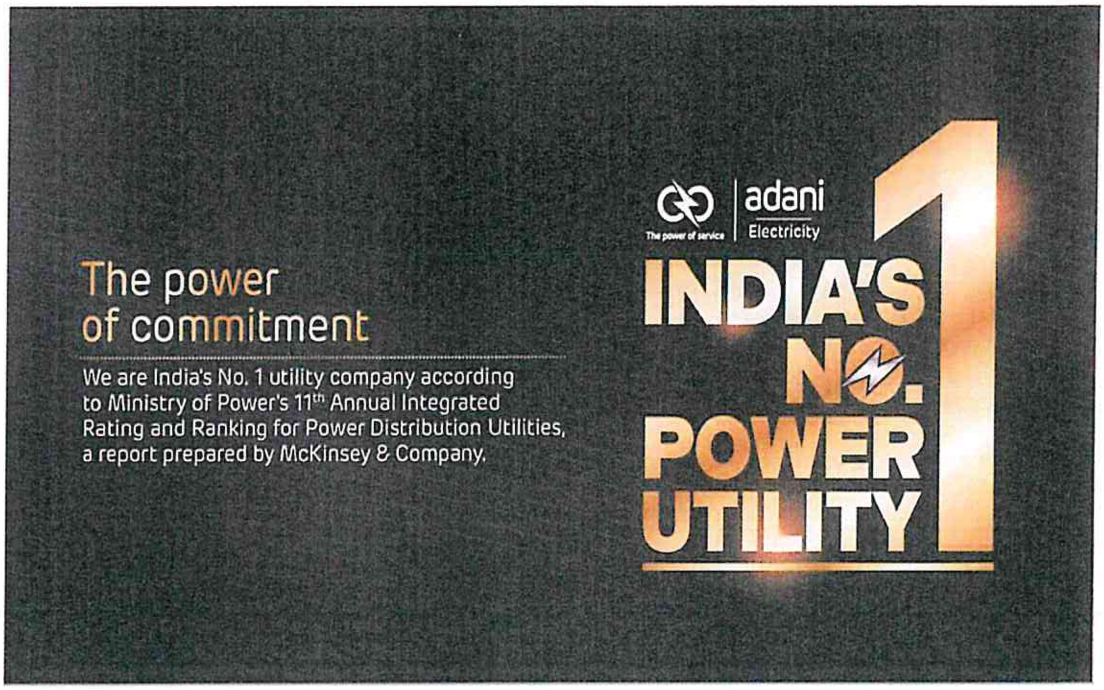

The power of service
adani
Electricity
The power
of commitment
We are India's No. 1 utility company according
to Ministry of Power's 11th Annual Integrated
Rating and Ranking for Power Distribution Utilities,
a report prepared by McKinsey & Company.
INDIA'S
NO.
POWER
UTILITY
1

Adani Electricity Mumbai Limited

Compliance Certificate (March 2023)

Comprising Adani Electricity Mumbai Limited and Power Distribution Services Limited

CONTENTS

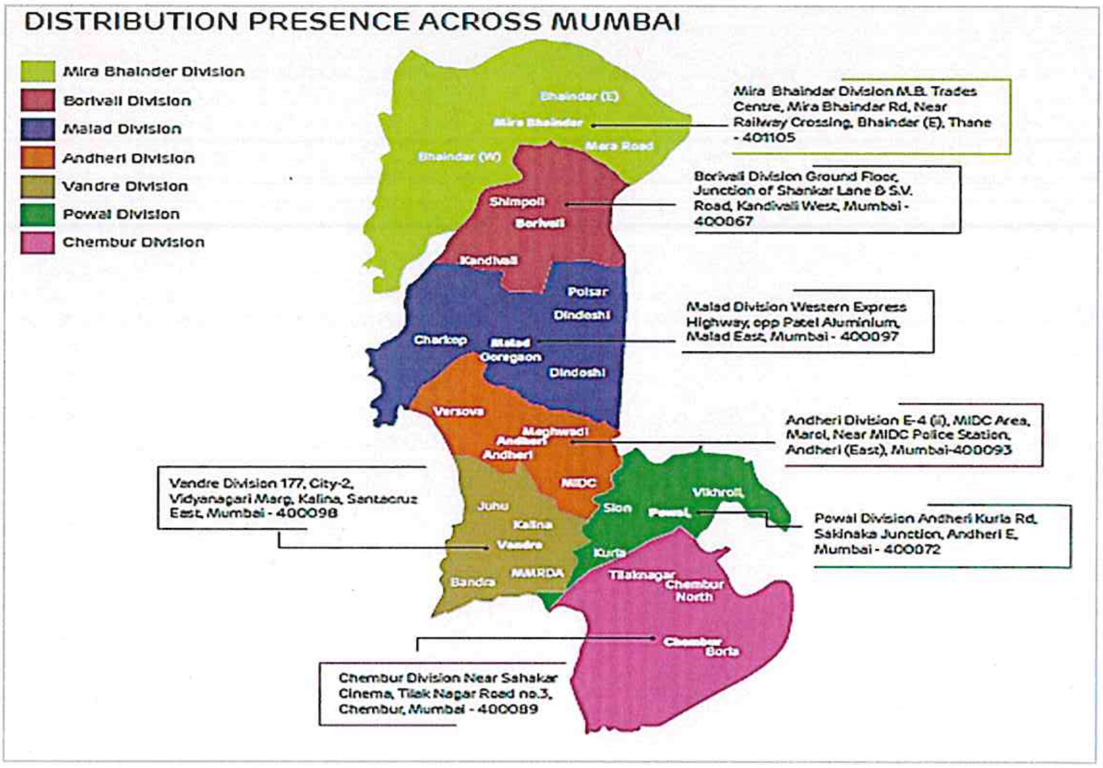
1. Executive Summary

Adani Electricity Mumbai Limited (AEML) is a No.1 power utility company in India and operates as a wholly owned subsidiary of Adani Transmission Limited. With a customer base of over three million consumers across Mumbai and its suburbs, covering a vast area of 400 square kilometers, we seek to provide exceptional service. Our commitment to reliability is evident in our outstanding track record, with a remarkable uptime rate of 99.99%, which ranks among the highest in the country. Meeting the substantial power demand of Mumbai, we supply close to 2,000 MW through our extensive and highly efficient distribution network. We are Mumbai's preferred choice, providing the most competitive tariff powered by a large in-Group access to renewable energy.

The business of AEML went into existence in 1926. The company's business services Mumbai and its suburban region. The company is a part of the Adani Group, multinational conglomerate headquarters in Ahmedabad. With a diverse portfolio spanning multiple sectors, including energy, infrastructure, logistics, agribusiness, and more, the Group has established itself as a prominent player in the global business landscape. A key focus area of the Adani Group is sustainability and renewable energy. It made significant investments in the renewable power sector, particularly in solar and wind energy, contributing to the country's transition towards a cleaner and greener future.

Operating in over 50 countries, the Adani Group has a strong global presence and is known for its successful execution of large-scale infrastructure projects. With its entrepreneurial spirit, innovative approach, and commitment to economic growth, the Adani Group has emerged as one of India's largest business conglomerates.

AEML 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 & innovative approaches in operations and services that contribute to the development of the customers.



AEML has operated for over 9.5 decades in a stable and evolved regulatory regime. With a modest consumer base of 2,500 households in 1931 the business has grown to 3.10 million households equivalent to 12 million consumers equivalent to the entire population of Sweden. AEML serves the "gateway" city of Mumbai servicing 85% of Mumbai's geography, touching 2 out of 3 households in Mumbai, which is India's commercial capital and most populous city in the country and among the top 10 Global Finance Centers with per capita income at 4x of India.

Mumbai being a city with the highest GDP, quality consumer base who have good payment history. partners along with our growth trajectory path and hence put AEML EBITDA at the least risk. We endeavour to provide the highest quality of supply in terms of sustainable, reliable, and affordable power supply with an emphasis on excellent consumer service.

Our focus on sustainability is central to how we create value. It drives innovation and helps us make better decisions in the interest of our many different stakeholders.

In our pursuit of excellence, we have diligently moved ahead keeping our values in mind. Every challenge is viewed as an opportunity to get better. We have swiftly navigated through the business cycle while accelerating our expansion in the right direction.

Today, AEML has evolved into one of the most efficient integrated utilities in India. The Company operates in a stable and evolved regulatory framework with predictable & robust returns. The Tariff is based on assured return on capital model, pass-through of costs and efficiency linked incentives.

AEML has pioneered adoption of groundbreaking technologies since inception. These technological advancements have helped AEML create robust systems and infrastructure.

AEML as a Leader in the Power Distribution space is guided by the fact, of the vision, of its Management. It is on account of the broad vision, leadership, and direction of the AEML management, that the Company has been an impeccable force in the industry.

Adani Electricity Mumbai Limited (AEML) and Power Distribution Services Limited (PDSL) form a collective obligor group. AEML, predominantly operated by Adani Transmission Limited with a 74.9% ownership stake, assumes primary responsibility. Qatar Holding LLC holds a 25.1% equity stake in AEML and PDSL. PDSL, a subsidiary of ATL, plays a vital role in collecting AEML's corporate expense allocations and safeguarding corresponding receipts within the obligor group. This corporate structure ensures that the US dollar noteholders benefit from the intended advantages and protections.

1.2 Rated as India's number one power distribution company.

AEML topped the country's 71 electricity distribution companies for its overall performance including Financial Sustainability, Operational Excellence and Corporate Governance.

In the Ministry of Power's 11th edition of the 'Annual Integrated Rating & Ranking' of country's power distribution utilities, Adani Electricity secured the 1st rank with Grade A+ and the highest integrated score of 99.6 out of 100. The rating report is prepared by McKinsey & Company and the assessment is based on the accounts of the past three financial years, from 2019-2020 to 2022-2023.

In the exhaustive evaluation exercise, Adani Electricity emerged as the best and only private utility to be rated in the top five and is also one of 15 discoms to not have any negative marking.

The Annual Integrated Rating & Ranking exercise is carried out by the nodal agency Power Finance Corporation Ltd as per the framework approved by the Ministry of Power since 2012. It covers 71 power distribution utilities comprising 45 state discoms, 14 private discoms and 12 power departments across India. The exercise provides a blueprint for stakeholders to assess performance, identify gaps, measure impact of steps taken and plan ahead.

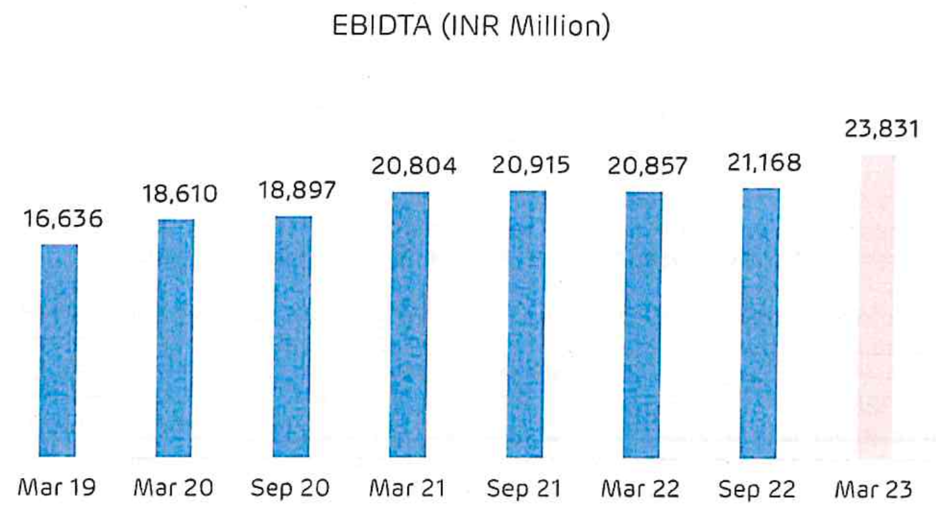
Adani Electricity scored 12.8 out of 13 for Performance Excellence, covering Billing Efficiency, Low Distribution Loss, Collection Efficiency and Corporate Governance.

Under Financial Sustainability, Adani Electricity scored all 75 marks for its ACS – ARR Gap (Cash adjusted), Days Receivable, Days Payable to Generation Companies, Adjusted Quick Ratio, Debt Service Coverage Ratio (Cash Adjusted) and Leverage Debt / EBITDA (Cash adjusted).

For all the above parameters, Adani Electricity has scored in the top matrix, and the superior ranking is a result of a set of best practices in the industry, including the following:

- Digitized bill generation and payments – partnering with UPIs and payment gateways to facilitate ease of payment for the customers.
- Deployment of advanced meter reading capabilities which reduces bill errors significantly.
- Analytics and MIS systems to curb power thefts – stronger vigilance drives. These efforts have led to reducing distribution losses from 9.1% to 6.7% over the last 2 years.
- Strong working capital management leading to the highest score for quick ratio.

1.3 EBITDA Performance (in INR million)



FY19 & FY20 is AEML standalone EBITDA. EBITDA as on September is for trailing twelve months

2. Adani Electricity Mumbai Limited (AEML) Obligor Group.

AEML Obligor Group owned 74.90% by ATL and 25.10% by QIA, comprises of Adani Electricity Mumbai Limited ('AEML') and Power Distribution Services Limited ('PDSL'). AEML which is a section 62 asset as per the Electricity Act, 2003 i.e., based on cost plus model, is a high-quality ROE based asset with minimum risk while PDSL provides specialized network services as well as certain back-office services to AEML.

3. Business Updates

New Tariff released by Maharashtra Electricity Regulatory Commission (MERC) is lowest among Discom in Maharashtra's for the period reviewed under the Multi-Year Tariff (MYT) mechanism. This demonstrates the benefits to the end users on account of Adani Electricity's prudent financial and operational practices.

Renewable Power commitment

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

Increase in Regulatory Asset Base

- RAB increased from INR 5,607 crore (FY 19) to INR 7,978 crore (FY23) with a CAGR of 9.2%
- Capex of FY 2023 has been fully funded through internal accruals without any debt incurrence.

Mid Term Review (MTR) Order Summary

MERC released MTR Order in March 2023 for True up of FY2020, FY2021 & FY2022, Provisional True up of FY2023 and Revised ARR & Tariffs for FY2024 & FY2025 – Link Attached –

AEML T – https://merc.gov.in/wp-content/uploads/2023/03/Order-230-of-2022.pdf
AEML D - https://merc.gov.in/wp-content/uploads/2023/03/Order-231-of-2022.pdf
AEML G - https://merc.gov.in/wp-content/uploads/2023/03/Order-229-of-2022.pdf

AEML will receive an amount of INR 1,574 crore (INR 1,496 crore Principal and carrying cost) towards Approved Past Period Revenue Gap during next 2 years along with carrying cost.

Other Updates

- AEML has achieved 38% reduction in GHG emission intensity during the financial year 2022-23.
- AEML has installed 3.75 lacs smart meter till March 31, 2023

Operational Performance for Distribution business

AEML has registered YoY growth of 13.7% in electricity demand mainly on the back of commercial & industrial activity getting back in place. The details for the same along with the breakup of the sales mix is represented in the table below:

Sales Mix (Mus)	FY23	FY22	Increase %
Residential	**4,554**	4,317	5.5%
Commercial	**2,980**	2,397	24.3%
Industrial	**1,528**	1,258	21.5%
Total	**9,062**	7,972	13.7%
Collection Efficiency %	**100%**	103%	
E- payments	**75%**	70%	

An efficient and stable business is one, which is able to effectively collect its receivables in a timely manner, and AEML is one such business that focuses and puts forwards a lot of focus on its collection drives and has provided its consumers with various payment options which includes digital options, KIOSKS etc. for the timely servicing of the electricity bills. Due to the continuous endeavour and monitoring of the collections, AEML, was able to clock near cent percent collection efficiency.

Credit Ratings

International Rating

All three international rating agency has completed annual surveillance of AEML and has reaffirmed Investment Grade (IG) Rating capped at sovereign.

Rating Agency	Rating/Outlook	Rating/Outlook
	$ 1bn Senior Secured Notes	$ 300mn Sustainability Linked Note
Moody's	Baa3/Negative	Baa3/Negative
Fitch	BBB-/	BBB-/
S&P	BBB-/Negative	-

Domestic Rating

Rating Agency	Rating/Outlook
India Ratings	IND AA+/Stable
CRISIL	CRISIL AA+/Stable

4. Sustainability, Reliability and Affordability

Our corporate strategic framework ensures providing the highest standards of customer service, through a consistent focus on three fundamentals that guide our actions and enable us to measure success. It entails ensuring a sustainable, reliable, and affordable power supply.

4.1 Sustainability

AEML is committed to all United Nation Sustainable Development Goals, with focus on SDG 7 i.e. Affordable and Clean Energy, SDG 11 on Sustainable Cities and Communities and SDG 13 on Climate Action.

In this context, with all the recent developments and the potential prevalent in the power sector today, what we do at AEML matters even more: generating affordable, clean, renewable power for moving towards a more equitable and sustainable future.

With a major thrust on promoting renewable energy, AEML has successfully contracted 700 MW power supply from a Hybrid solar + wind power plant delivering 50% CUF. AEML plans to increase its renewable power procurement mix percentage to 30% by 2023, which would further be scaled up to 60% by 2027. This will offset the equivalent of upto ~16% of Mumbai's total GHG emissions.

To put things into perspective, India as a country has set itself a target of reduction of GHG emission intensity of 33% against 2005 baseline, hence AEML is looking to achieve ~2x of India's target 3 years before India aims to achieves it with a baseline of 2019 vs. India's baseline of 2005

AEML has linked these targets with financial penalties for non-achievement under its recent issuance of US Dollar Notes of 300 million to international investors, demonstrating the gravity of commitment.

KPI under Sustainability Linked Notes

Sustainability Performance Targets (SPTs)

- KPI-1: Increase Renewable power mix in the overall power purchase mix
  - SPT 1: Attain at least 60% of renewable power procurement mix by end of FY2027
- KPI 2: Reduction in GHG Emission Intensity (Scope 1 and 2) (GHG Emission Scope 1 and 2 measured by tCO2 divided by EBITDA of AEML)
  - SPT 2: Reduce GHG Emission Intensity (Scope 1 and 2) by 60% by end of FY2029, compared with FY2019.

As agreed in the pricing supplement for USD 300 million Sustainability Linked Notes 2031, for each financial year the Obligor Group need to publish Assurance Repot on verified and/or certified by the External Verifier, which shall disclose the Renewable Power Mix (RPM) and the GHG Emission Intensity.

Annual Assurance Report for March 2023 on GHG Emission Intensity (Scope 1 & 2) and Renewable Power Mix (RPM) for detailed information issued by DNV is available on website of the company (www.adanielectricity.com) under Investor Section.

The Progress under KPI-1 against base line year is as follows:

KPI-1 : Renewable Power Mix in Purchased Electricity: Units in Million (Mus)

Description		FY 2018-19 [2]	**FY2022-23**
Procurement of electricity from the eligible renewable energy sources [1]	a	280.73	**3,002.41**
Procurement of electricity from other than renewable energy sources	b	9,032.91	**6,993,10**
Total electricity procured	**c=a+b**	**9,313.64**	**9,995.51**
Percentage of procurement of electricity from the eligible renewable energy sources	**a/c**	3.01%	**30.04%**

1. Eligible Renewable Energy sources are considered as per 'Renewable Purchase Obligation, its Compliance and Implementation of Renewal Energy Certificate Framework Regulations, 2019' issued by Maharashtra Electricity Regulatory Commission (the "Regulation") which means renewable sources such as mini hydro, micro hydro, small hydro, wind, Solar, biomass including bagasse, bio fuel cogeneration, urban or municipal waste and such other sources as are recognized or approved by Ministry of New and Renewable Energy, Government of India.

2. This includes utilization of 3,268.16 Mus in FY 2018-19 and 3,153.84 Mus in FY 2022-23 through embedded captive generation as per power purchase arrangement for the years ended on March 31, 2019 and March 31, 2023.

3. The FY2018-19 (Baseline year) numbers are referred from assured numbers reported by AEML

KPI-2 : GHG Emission Intensity (Scope 1 & 2)

	Boundary of emission within the company	FY-2018-19[2]	FY-2022-23
GHG tCO2e	AEML: Scope-1 & 2	37,50,069	**33,10,159**
EBITDA Rs Cr[1]	AEML	1,664	**2,381**
Emission Intensity (t CO2e/ EBITDA in Rs Cr)		2,254	**1,390**

1. The reported data on EBITDA of AEML within the Report are based on audited financial statements of the respective year.
2. 1 crore = INR 100,00,000
3. The FY2018-19 (Baseline Year) numbers are referred from assured numbers reported by AEML.

AEML has achieved 38% reduction in GHG emission intensity during the financial year 2022-23.

4.2 Reliability

AEML by virtue of its philosophy puts reliability at its core since reliable electric supply is critical for the enterprise to operate and grow. The same is evident from the fact that even during the Pandemic regime during the lockdown, the Company was able to supply uninterrupted 24/7 power supply to its consumers. Moreover, the various reliability indices like SAIFI, SAIDI, CAIDI, and ASI, demonstrate our commitment and continuous endeavour in this arena. AEML structures its reliability supply through a continuous Capex cycle round the year. This helps in adding value to our consumers.

- Dahanu Power Plant has enabled supply reliability through adoption of best-in-class practice.
- Mumbai network design insulates its consumers from grid failure.
- 23 instances of National/Regional Grid outages in last 20 years, however, consumers in Mumbai remained largely unaffected.
- Ensuring asset hardening and modernization
- Investing in modern O&M practices, ensuring lower SAIDI and SAIFI

4.3 Affordability

Affordability refers to our objective of providing affordable tariff for 12 million consumers.

The measures undertaken comprise:

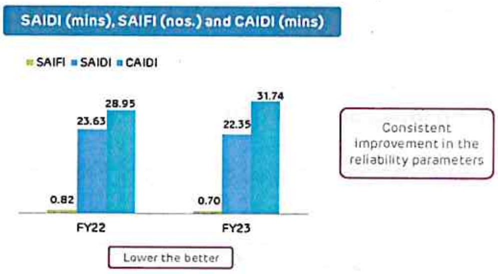
- Procurement of 700 MW hybrid power at ₹ 3.24 per unit for 25 years for new fixed tariff PPA
- Saving on short term power requirement and thereby reducing the overall power purchase cost
- Smoothening of FAC resulting in tariff stability for consumers

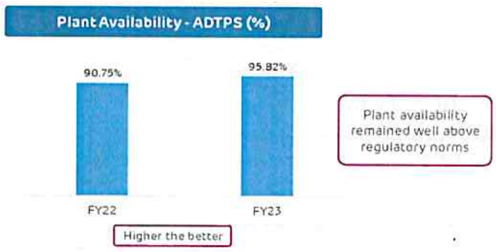
5. Operational Performance

Snapshot of Distribution Business

Parameter	UoM	FY23	FY22	FY21	FY20	FY19
Power Transformers	Nos.	244	234	228	217	211
PT Capacity	MVA	4,507	4,337	4,167	3,896	3,751
Distribution Transformers	Nos.	7,252	7,220	6,981	6.809	6,697
DT Capacity	MVA	5,379	5,300	5,191	5,076	4,978
Cable Network						
Total HT Length	Kms	5,060	4,973	4.885	4,860	4,580
LT Main Line Cable	Kms	6,596	6,496	6.247	6,226	6,139
LT Service Cable	Kms	11,816	11,668	11,511	11,400	11,244
Street Lt. Cable Length	Kms	2,177	21,40	2,106	2,091	2,062
Total LT Length	Kms	20,589	20,304	19,864	19,718	19,445

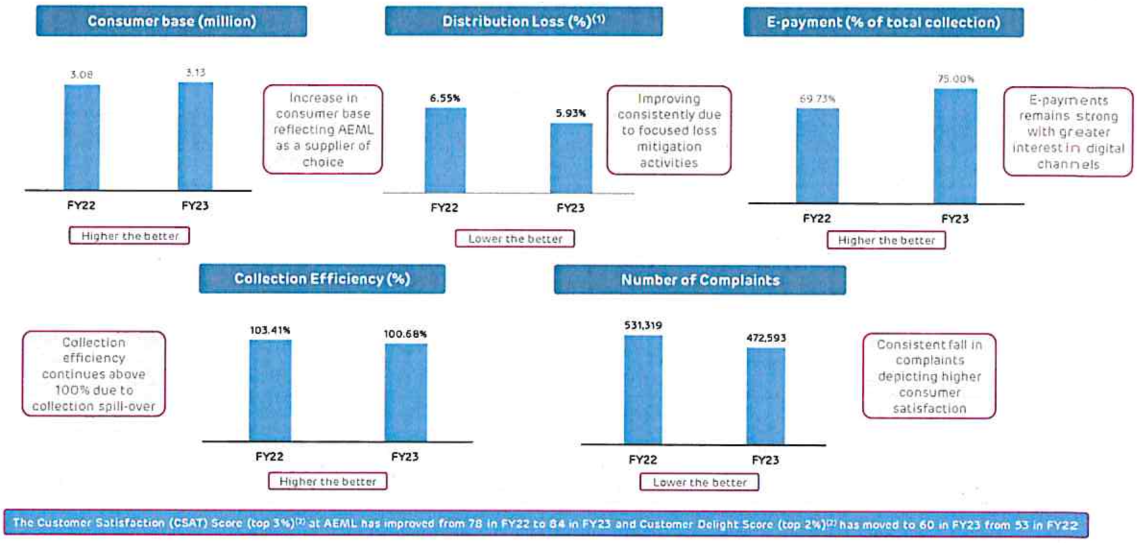
Operating Metrics





Notes: System Average Interruption Duration Index (SAIDI) indicates average outage duration for each customer served, System Average Interruption Frequency Index (SAIFI) indicates average number of interruptions, Customer Average Interruption Duration Index (CAIDI): indicates average time required to restore service during a predefined period of time.

YoY- year on year, YTM – Year to month, mins – minutes, nos.- numbers



Notes: Top 3% = % respondents rating Good, Very Good or Excellent on a 5 pt scale and Top2 %= % respondents rating Very Good or Excellent on a 5 pt scale

6. Financial Performance

A. Summary of the Covenants for period ended on calculation date.

Particulars	Annexure / Threshold Ratio	Calculation Period & Date Mar. 31, 2023	Sep. 30 2022	Mar. 31 2022	Sep. 30 2021	Mar. 31, 2021	Sep. 30, 2020	Mar. 31 2020
Distribution covenants (Note)								
Debt Service Coverage Ratio (DSCR)	Annexure 1 > 1.10x	**4.76x**	4.80x	5.53x	5.80x	6.01x	3.84x	2.35x
Debt Sizing Covenants (Note)								
Project Life Coverage Ratio (PLCR)	Annexure 2 > 1.80 x	**3.29x**	3.24x	3.37x	3.33x	3.41x	3.79x	3.57x
Net Debt to Regulatory Asset Base (RAB)	Annexure 3 < 1.40x	**0.86x**	0.86x	0.89x	0.85x	0.81x	0.85x	0.82x
Fund from Operations / Net Debt	Annexure 4	**13.4%**	9.9%	4.8%*	9.7%	16.0%*	18.4%	30.1%

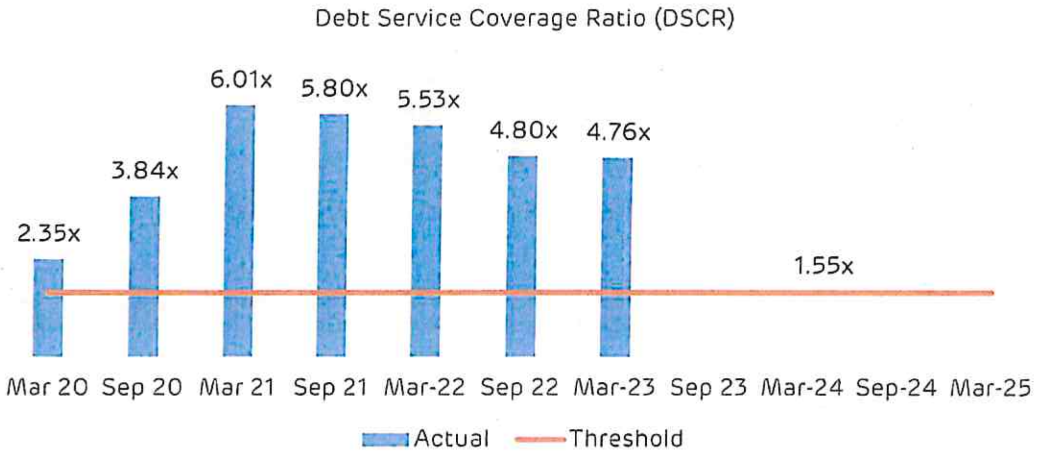
Mar – March , Sep. – September x - times

***We have utilized our FFO prudently in order to repay the working capital loan outstanding as on March 2022. In case of non utilization of FFO towards repayment of working capital loan, FFO/Net Debt will be resulted in 16.56% as on March 2022 and 17.74% as on March 2021.**

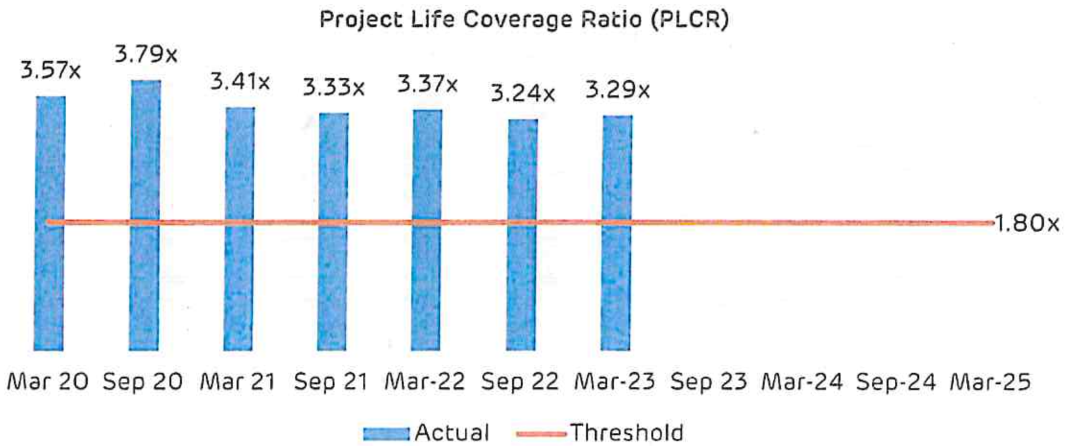
Note: Above covenants is calculated as per definitions given under Common Trust Deed (CTD) and Note Trust Deed (NTD) executed for USD 1,000 million and Accession Memorandum for USD 300 million. All covenants in forms of ratios are in compliance and are calculated on trailing twelve month basis at each calculation date

B. Covenants Performance

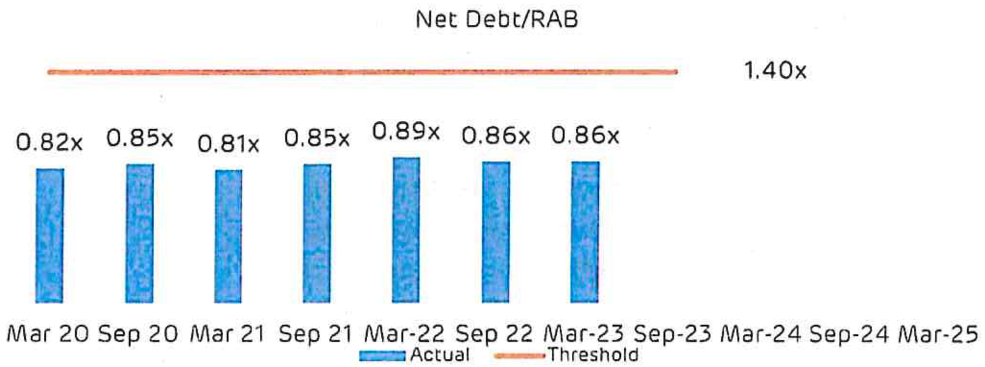
B1. Debt Service Coverage Ratio (DSCR)



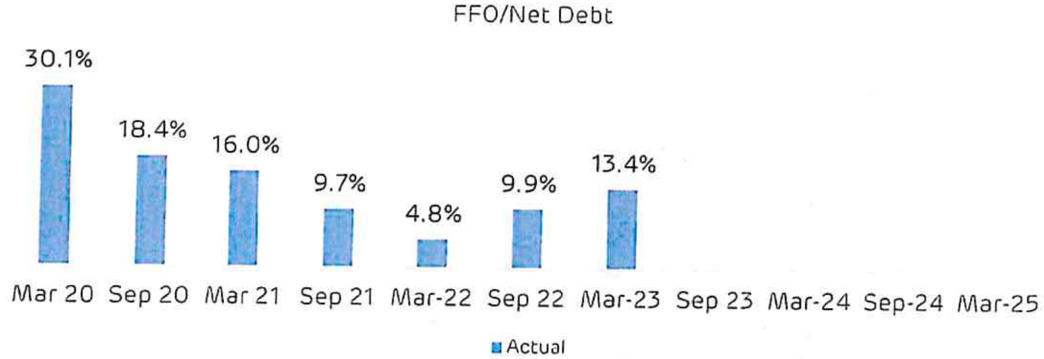
B2. Project Life Coverage Ratio (PLCR)



B3. Net Debt to RAB

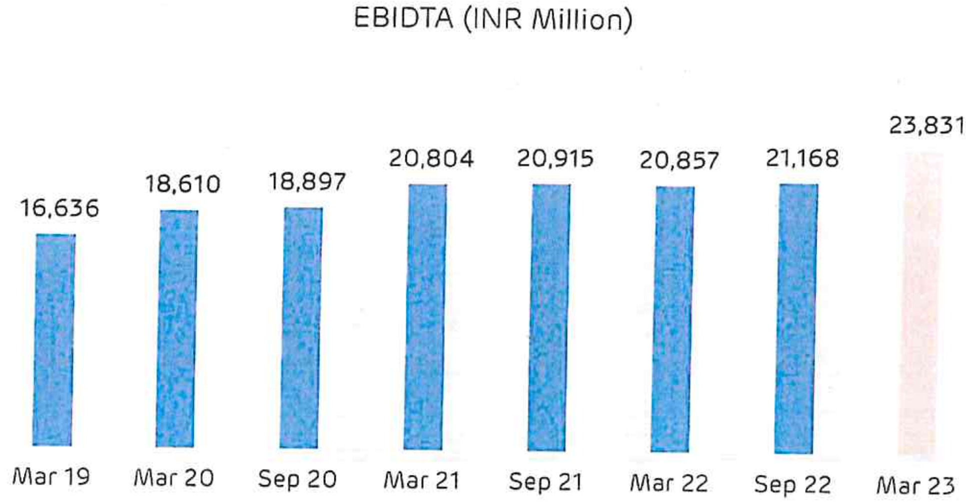


B4. Fund from Operations / Net Debt



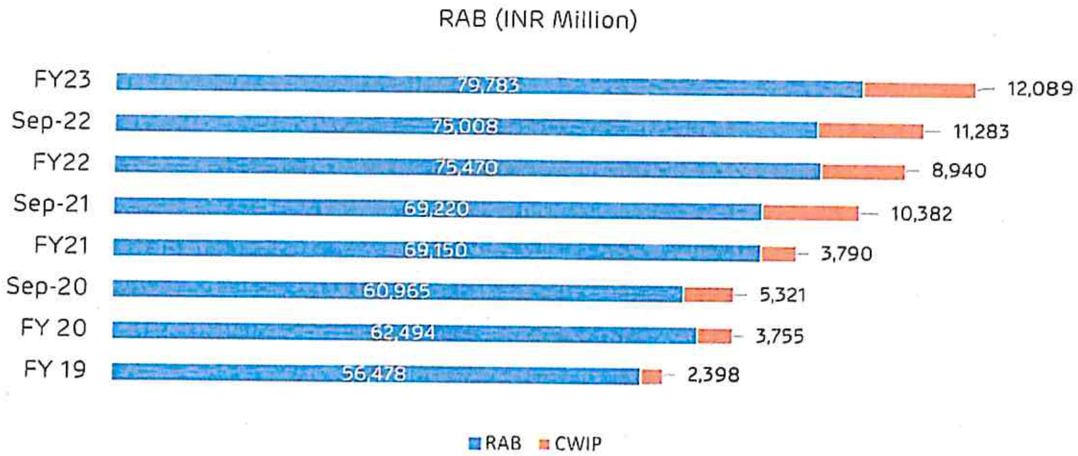
*We have utilized our FFO prudently in order to repay the working capital loan outstanding as on March 2022. In case of non-utilization of FFO towards repayment of working capital loan, FFO/Net Debt will be resulted in 16.56% as on March 2022 and 17.74% as on March 2021.

C. EBITDA performance



FY19 & FY20 is AEML standalone EBITDA. EBITDA as on September is for trailing twelve months

D. AEML Regulated Asset Base (RAB)



E. Receivable Position

Trade Receivable position as on March 31, 2023 — INR million

Categories	Unbilled#	Within the Credit Period	1-90 days	91-182 days	> 182 days	Total
Commercial	2,999	1,002	141	73	31	4,246
Industrial	855	97	36	4	-	992
Residential	2,121	1,570	551	102	110	4,454
Total	**5,975**	**2,669**	**728**	**179**	**141**	**9,692**
Transmission	-	278	243	-	0	521
Others	-	150	94	41	0	285
Gross Debtors	**5,975**	**3,097**	**1,065**	**220**	**141**	**10,498**

Receivables includes normal unbilled revenue as on March 31, 2023 which will be billed during the next month as per applicable billing cycle of consumers.

7. Information on Compliance Certificate and workings

To:	SBICAP Trustee Company Limited (the "Security Trustee")
Copy to:	Madison Pacific Trust Limited (the "Note Trustee")
Copy to:	Note Holders for U.S. $ 1,000,000,000 Senior Secured Notes Due 2030 and U.S. $ 300,000,000 Sustainability Linked Senior Secured Notes due 2031
From:	Adani Electricity Mumbai Limited ("AEML") (as borrower) Power Distribution Services Limited ("PDSL") (as Obligor)
Dated:	July 28, 2023

Dear sirs/madam

Adani Electricity Mumbai Limited and Power Distribution Services Limited (together as "Issuers") – Common Terms Deed dated February 12, 2020 and Accession Memorandum dated July 13, 2021 (the "Common Terms Deed")

We refer to the Common Terms Deed. This is a Compliance Certificate given in respect of the Calculation Date occurring as on March 31, 2023. Terms used in the Common Terms Deed shall have the same meaning in this Compliance Certificate.

The Certificate is based on the following documents:

1. Audited Financial Statement of Obligor Group for the year ended on March 31, 2023.
2. The Cash Flow Waterfall Mechanism as detailed in the Project Accounts Deed.
3. Management Information System (MIS) (for reconciliation of Ind AS and Legal definition) is provided in Annexure 7 to the Certificate.

8. Computation of Operating Account Waterfall as per Project Account Deed for the Calculation Period ended as on March 31, 2023 (trailing 12 months ended on March 31, 2023). (From April 1, 2022 to March 31, 2023)

Amount (INR Million)

Sr. No.	Particulars	March 2023	March 2022	Source*
	Revenue from Operations	83,609.57	69,089.40	Profit & Loss Account
	Add: Other Income (Incl. Interest income on Investments)	3,310.99	4,096.81	
	Add: Net Movement in Regulatory Deferral Balance	10,355.77	6,824.71	
I	**Net Operating Income**	**97,276.33**	**80,010.92**	
	Cost of Power Purchased	36,586.94	27,364.09	
	Cost of Fuel	13,841.81	10,659.91	
	Transmission Charges	4,823.09	4,778.41	
	Purchases of traded goods	35.87	7.58	
	Employee Benefit Expense	8,780.02	7,986.81	
	Other Expenses	9,377.78	8,357.56	
II	**Total Operating Expenses**	**73,445.51**	**59,154.36**	
III	**Combined EBIDTA (I-II)**	**23,830.82**	**20,856.56**	
IV	Less : Tax Paid	372.22	499.22	Statement of Cash Flow
V	Less : Interest on Working Capital (RCF)	714.33	461.50	Working Note 2
VI	Opening Cash Balance	15,279.25	21,586.28	Working Note 1
VII	**Cash Flow Available for Debt Service (III-IV-V+V)**	**38,024.02**	**41,482.12**	
	Interest on Senior Creditors	7,985.19	7,498.19	Working Note 3
VIII	**Less : Debt Service**	**7,985.19**	**7,498.19**	
	Reserve Funding & Transaction Cost			
	Investments in Debt Service Reserve Account	-	241.00	MIS
	Investments in Capital Expenditure Reserve Account	-	3,006.11	MIS
	Incurred Transaction Expenses	-	299.22	Working Note 4
	Investment in Contingency Reserve	285.76	248.44	MIS
IX	**Total Reserve Funding & Transaction Cost**	**285.76**	**3,794.77**	
X	**Cash Available post Debt Service and Various Reserve funding of Senior Creditors and Transaction cost (VII-VII-IX)**	**29,753.07**	**30,189.16**	
	Receipt on Hedge Rollover	661.69		MIS
	Working Capital Loan	5,000.00	-	Statement of Cash Flow
XII	**Total Inflow**	**5,661.69**	**-**	
	Working Capital Changes	8,673.11	801.34	Statement of Cash Flow
	Working Capital Loan	-	8,833.53	
	Repayment of Long-term borrowings	-	666.67	MIS
	Investment in Subsidiary	2.80	-	Note 8 - financial statements
	Commitment Fees paid for ECB Capex	-	52.05	Working Note 4
	Other Finance Charges & Borrowing Cost	410.47	412.39	
	Payments towards Capital Expenditure	11,076.08	2,723.89	Working Note 9
	Senior Debt Restricted Reserve Account	665.00	-	MIS
XIII	**Total Outflow**	**20,827.46**	**13,489.87**	

XIV	**Total Cash Balance (XI+XII-XIII)**	**14,587.30**	**16,699.29**	Working Note 7
a	Contingency Reserve Investment	73.63	257.42	MIS
b	Estimated Equity (internal accrual) for capital expenditure in H1FY2024	21.14	-	Working Note 10
XV	**Total Funds earmarked (a+b)**	**94.77**	**257.42**	
XVI	**Net Cash Available for Operating Expenses (XV-XVI)**	**14,492.53**	**16,441.87**	
XVII	Funds for Operating Expenses expected equivalent to 1-month period	6,120.46	4,779.22	
XIX	**Net Cash Available for transfer to Distribution Account (XVI-XVII)**	**8,372.07**	**11,662.65**	

* For working Notes Refer Annexure 7

We confirm that:

(a) in accordance with the workings set out in the attached Annexure 1, the Debt Service Cover Ratio for the Calculation Period ended on the relevant Calculation Date was 4.76x:1x.

(b) as at the Calculation Date, the aggregate amount for transfer to our Distributions Account in accordance with the Operating Account Waterfall is Rs 8,372.07 million

(c) acting prudently, the cash balance which can be distributed as permitted under the relevant Transaction Documents is Rs 8,372.07 million. AEML has transferred INR 3,417.70 million in May 2023 to distribute divided among the shareholders.

(d) to the best of our knowledge having made due enquiry, no default subsists.

(e) Summary of the Covenants on for 12 months calculation period ended on calculation date.

		Calculation Period & Date						
Particulars	**Annexure / Threshold Ratio**	**Mar. 31, 2023**	Sep. 30 2022	Mar. 31 2022	Sep. 30 2021	Mar. 31, 2021	Sep. 30, 2020	Mar. 31 2020
Distribution covenants (Note)								
Debt Service Coverage Ratio (DSCR)	Annexure 1 > 1.10x	**4.76x**	4.80x	5.53x	5.80x	6.01x	3.84x	2.35x
Debt Sizing Covenants (Note)								
Project Life Coverage Ratio (PLCR)	Annexure 2 > 1.80 x	**3.29x**	3.24x	3.37x	3.33x	3.41x	3.79x	3.57x
Net Debt to Regulatory Asset Base (RAB)	Annexure 3 < 1.40x	**0.86x**	0.86x	0.89x	0.85x	0.81x	0.85x	0.82x
Fund from Operations / Net Debt	Annexure 4	**13.4%**	9.9%	4.8%*	9.7%	16.0%*	18.4%	30.1%

Mar – March , Sep. – September **x – times**

*We have utilized our FFO prudently in order to repay the working capital loan outstanding as on March 2022. In case of non utilization of FFO towards repayment of working capital loan, FFO/Net Debt will be resulted in 16.56% as on March 2022 and 17.74% as on March 2021.

Note: Above covenants is calculated as per definitions given under Common Trust Deed (CTD) and Note Trust Deed (NTD) executed for USD 1,000 million and Accession Memorandum for USD 300 million. All covenants in forms of ratios are in compliance and are calculated on trailing twelve month basis at each calculation date

Yours, faithfully

For Adani Electricity Mumbai Limited	For Power Distribution Services Limited
Name: Kandarp Patel Designation: Managing Director & CEO	Name: Kunjal Mehta Designation: Authorised Signatory

Encl.:

1. Legal form of compliance Certificate **Appendix 1**
2. Covenant calculations (Annexure 1 to 3)
3. Fund from Operations / Net Debt (Annexure 4)
4. Refinancing Plan (Annexure 5)
5. Investment Details (Annexure 6)
6. Legal form of Directors Certificate **Appendix 2**
7. Other Security Certificate
8. Working Notes (Annexure 7)
9. Obligor Group Audited Aggregated Accounts for 12 months ended on March 31, 2023
10. Annual Assurance Report on GHG Emission Intensity and Renewable Power Mix (RPM) for the year ended on March 31, 2023

9. Appendix 1 - Form of Compliance Certificate

To:	SBICAP Trustee Company Limited (the "Security Trustee")
Copy to:	Madison Pacific Trust Limited (the "Note Trustee")
Copy to:	Note Holders for U.S. $ 1,000,000,000 Senior Secured Notes Due 2030 and U.S. $ 300,000,000 Sustainability Linked Senior Secured Notes due 2031
From:	Adani Electricity Mumbai Limited ("AEML") (as borrower)
	Power Distribution Services Limited ("PDSL") (as Obligor)
Dated:	July 28, 2023

Dear Sirs

Adani Electricity Mumbai Limited and Power Distribution Services Limited (together as "Issuers") – Common Terms Deed dated February 12, 2020, and Accession Memorandum dated July 13, 2021 (the "Common Terms Deed")

We refer to the Common Terms Deed. This is a Compliance Certificate given in respect of the Calculation Date occurring as on March 31, 2023 (the "**Calculation Date**"). Unless otherwise defined herein, terms used in the Common Terms Deed and Facility Agreement shall have the same meanings in this Compliance Certificate.

We confirm that:

1. as at the Calculation Date, the aggregate amount for transfer to the AEML Distributions Account in accordance with the Project Accounts Deed is INR. 8,372.07 million.
2. in accordance with the workings set out in the attached Annexure 1, the Debt Service Cover Ratio for the Calculation Period ended on the Calculation Date was 4.76x:1.0x;
3. in accordance with the workings set out in the attached Annexure 2, the Project Life Cover Ratio for the Calculation Period ended on the relevant Calculation Date was 3.29x:1.0x;
4. in accordance with the workings set out in the attached Annexure 3, the ratio of Net Debt to RAB for the Calculation Period ended on the relevant Calculation Date was 0.86x:1.0x;
5. in accordance with the workings set out in the attached Annexure 4, the ratio of Funds From Operations to Net Debt for the Calculation Period ended on the relevant Calculation Date was 13.4%;

   as at the Calculation Date, the cash balance in each of the Obligors' Project Accounts was as follows: (Refer Annexure 6)

Sr. No.	Account Name	Amount (INR million)
	Cash and Cash Equivalents	
	AEML PAD Accounts (various)*	18,860.98
	AEML Non-PAD Account*	4,224.91
	Cash on Hand	4.28
	Cheques / Drafts on Hand	140.42
I	**Total AEML Cash & Cash Equivalents**	**23,230.59**
II	PDSL Cash Balance	4.30
III	**Total Obligor Group Cash Balance (I+II)**	**23,234.89**

	Restricted Cash & Cash Equivalents	
	Debt Service Reserve Account	
	Senior Secured Notes (USD 1 billion)	1,732.64
	Sustainability Linked Notes (USD 300 million)	472.53
	Shareholders Affiliated Debts	797.91
	Total Debt Service Reserve Account	**3,003.08**
	Capital Expenditure Reserve Account	4,978.86
	Senior Debt Redemption Reserve (USD 300 million)	665.65
IV	**Total Restricted Cash & Cash Equivalents**	**8,647.59**
	Cash Balance (III-IV)	**14,587.30**

* Includes accrued interest on Investment

6. the amount of capital expenditure forecast to be undertaken by the Company in the six-month period commencing on the Calculation Date was INR 5,000.00 million

7. as at the Calculation Date, the Obligors' EBITDA (on an aggregate basis) for the Calculation Period ended on the Calculation Date was INR 23,830.82 million.

8. No refinancing plan during the six-month period commencing from March 31, 2023, Calculation Date.

9. each of the Obligors is acting prudently and has completed the required maintenance.

10. the total taxes, operations and maintenance expenses, power purchase costs, fuel costs and other operating expenses of the Obligor Group for the Calculation Period ending on the above Calculation Date was INR 73,445.51 million

11. to the best of our knowledge, having made due enquiry, no Default subsists[1].

[In accordance with paragraph 1 (c) (*Compliance Certificate*) of Schedule 3 (*Undertakings*), the Company hereby encloses at Annexure 5 a refinancing plan for the six-month period commencing on March 31, 2023, the Calculation Date.][2]

The details of all Authorised Investments in respect of each Project Account as at date of this Compliance Certificate are set in Annexure 6.

Yours, faithfully

For Adani Electricity Mumbai Limited	For Power Distribution Services Limited
Name: Kandarp Patel	Name: Kunjal Mehta
Designation: Managing Director & CEO	Designation: Authorised Signatory

[1] If this statement cannot be made, the certificate should identify any Event of Default or Potential Event of Default, as applicable, that is subsisting and the steps, if any, being taken to remedy it.
[2] To be included if a refinancing plan has been prepared for any Calculation Period.

10. Annexure I - Debt Service Coverage Ratio (DSCR) as on March 31, 2023

Amount (INR million)

Sr. No.	Particulars	March 2023	March 2022	Source*
	"**Debt Service Cover Ratio**" means, in relation to a Calculation Period ending on the relevant Calculation Date, the ratio of			
A	"Cashflow Available for Debt Service" means, for the Obligor Group in relation to a Calculation Period, Combined EBITDA less amounts paid during such period in cash in respect of Tax less interest on RCF for the relevant period incurred by the Obligor Group (if any) plus any Opening Cash Balance.	**38,024.02**	**41,482.12**	
I	**Combined EBIDTA**	**23,830.82**	**20,856.56**	
II	Less : Tax Paid	372.22	499.22	Statement of Cash Flow
III	Less : Interest on Working Capital (RCF)	714.33	461.50	Working Note 2
IV	Opening Cash Balance	15,279.75	21,586.28	Working Note 1
V	**Cash Flow Available for Debt Service (I-II-III+IV)**	**38,024.02**	**41,482.12**	
B	***Total Debt Service B (VI+VII)***	**7,985.19**	**7,498.19**	
VI	the sum of scheduled principal repayment (to the extent not refinanced and without considering any RCF) adjusting, if applicable, any opening cash carried forward from the previous Calculation Period in the relevant Senior Debt Redemption Account and the AEML Surplus Holdings Account,	-	-	
a	Scheduled Principal Repayment (to the extent not refinanced and without considering any RCF)	Nil	Nil	
b	Less : opening cash carried forward from the previous Calculation Period in the relevant Senior Debt Redemption Account	Nil	Nil	
c	Less : opening cash carried forward from the previous Calculation Period in the relevant AEML Surplus Holdings Account	Nil	Nil	
	Schedule Principal Repayments (a-b-c)	-	-	
VII	interest payments to Senior Creditors and payments of any Costs (of recurring nature) to Senior Creditors in relation to Senior Debt due or accrued during that period and any Initial Termination Payment and where such Senior Debt is denominated in a currency other than INR the relevant amounts shall be calculated at the rate at which such Senior Debt is hedged under any Hedging Agreement.	**7,985.19**	**7,498.19**	Working Note 3
C	***Debt Service Coverage Ratio (A/B)***	**4.76**	**5.53**	

*For working Notes Refer Annexure 7

11. Annexure II – Project Life Coverage Ratio (PLCR)

Amount (INR million)

Sr. No.	Particulars	As on March April 1, 2023	As on April 1, 2022	Source*
	"Project Life Cover Ratio" means, as of any given date of calculation:			
I	Net Present Value (discounted using the Discount Rate) of the Combined EBITDA forecast for the period from the calculation date until the end of the period covered by the MERC	250,155.96	264,343.02	MIS
II	Residual value of the Regulated Business as at such end date	114,033.99	95,957.66	MIS
III	Less : Net present value (discounted using the Discount Rate) of the equity component of all Regulatory Capital Expenditure forecast for the period from the calculation date until the end of the period covered by the MERC Licenses;	53,210.61	51,520.86	MIS
A	**Total A (I+II-III)**	**310,979.34**	**308,779.83**	
IV	Senior Debt (excluding RCF),	97,258.09	93,582.38	Working Note 8
V	Less : the amounts in the Senior Debt Service Reserve Account, Senior Debt Redemption Account and Senior Debt Restricted Amortisation Account outstanding as at such date.	2,870.82	2,061.94	Working Note 7
B	**Total B (IV-V)**	**94,387.27**	**91,520.44**	
C	**Project Life Cover Ratio (A / B)**	**3.29**	**3.37**	

* For working Notes Refer Annexure 7

12. Annexure III – Net Debt to RAB as on March 31, 2023

Amount (INR million)

Sr. No.	Particulars	March 2023	March 2022	Source*
	"Net Debt" means the total indebtedness of the Obligors (excluding any working capital debt) less any amounts held in the Senior Debt Restricted Amortisation Account, the Senior Debt Service Reserve Account, the Senior Debt Restricted Reserve Account, the Senior Debt Redemption Account and any cash balances.	**79,134.32**	**74,821.15**	
I	**Total Indebtness (Senior Debt and RCF Facility)**	**101,592.44**	**93,582.38**	Working Note 6
II	Less : Working Capital Loans (RCF)	5,000.00	-	
III	Less : Senior Debt Service Reserve Account	2,205.17	2,061.94	Working Note 7
IV	Less : Senior Debt Restricted Reserve Account	-	-	
V	Less : Senior Debt Redemption Account	665.65	-	
VI	Less : Cash Balances	14,587.30	16,699.29	
A	**Net Debt (I-II-III-IV-V-VI-VII)**	**79,134.32**	**74,821.15**	
	Regulatory Asset Base (RAB)			
	"**RAB**" means, as of any given date of calculation, an amount equal to the sum of			
I	the regulated asset base of the Borrower as set forth in the then-prevailing tariff order	79,782.94	75,470.00	MIS
II	all spent Regulatory Capital Expenditure pending capitalisation	12,088.62	8,940.34	Working Noe 11
B	**Total Regulatory Asset Base (RAB) (I+II)**	**91,871.56**	**84,410.34**	
	Net Debt to RAB (A/B)	**0.86**	**0.89**	

* For working Notes Refer Annexure 7

13. Annexure IV - Fund From Operation to Net Debt as on March 31, 2023

Amount (INR million)

Sr. No.	Particulars	March 2023	March 2022	Source*
	"**Funds From Operations**" means EBITDA minus cash taxes paid and adjusted for any positive or negative adjustments in working capital minus cash net interest.	**10,582.03**	**3,559.38**	
I	**Combined EBIDTA**	**23,830.82**	**20,856.56**	
II	Less : Tax Paid	372.22	499.22	Statement of Cash Flow
A	Working Capital changes	(8,673.11)	(801.34)	
B	Working Capital loan changes	5,000.00	(8,833.53)	
III	**Add : adjustment in Working Capital (a+b)**	**(3,673.11)**	**(9,634.87)**	
IV	Less : Cash Net Interest	9,203.46	7,163.09	Working Note 5
A	**Fund from Operations (I-II+III-IV)**	**10,582.03**	**3,559.38**	
	"Net Debt" means the total indebtedness of the Obligors (excluding any working capital debt) less any amounts held in the Senior Debt Restricted Amortisation Account, the Senior Debt Service Reserve Account, the Senior Debt Restricted Reserve Account, the Senior Debt Redemption Account and any cash balances.	**79,134.32**	**74,821.15**	
I	**Total Indebtness (Senior Debt and RCF Facility)**	**101,592.44**	**93,582.38**	
II	Less : Working Capital Loans (RCF)	5,000.00	-	Working Note 6
III	Less : Senior Debt Service Reserve Account	2,205.17	2,061.94	Working Note 7
IV	Less : Senior Debt Restricted Reserve Account**	-	-	
V	Less : Senior Debt Redemption Account**	665.65	-	
VI	Less : Cash Balances	14,587.30	16,699.29	
B	**Net Debt (I-II-III-IV-V-VI-VII)**	**79,134.32**	**74,821.15**	
	Fund From Operation to Net Debt (A/B)	**13.37%**	**4.76%*** **	

* For working Notes Refer Annexure 7

** Balance in this account is to maintain minimum balance

*** FFO to Net debt before working capital loan changes is 17.26% for Mar-22 %

14. Annexure – V Refinancing Plan as on March 31, 2023

Not applicable right now as the same is to be provided 12 months ahead of maturity date.

15. Annexure VI– Details of all investments as per PAD as on March 31, 2023

Amount (INR million)

Sr. No.	Name of Project Account	Balance (a)	Investment* (b)	March 2023 (a+b)	March 2022
	AEML PAD Accounts				
	AEML Cash Collections Account	0.16	Nil	**0.16**	-
	AEML Cheque Collections Account	131.47	Nil	**131.47**	107.94
	AEML Non Energy Payment Collections Account	24.55	7,429.02	**7,453.57**	1.91
	AEML Utilisation Account*	37.45	2,583.64	**2,621.09**	2,296.05
	AEML Taxes Account	0.42	Nil	**0.42**	0.35
	AEML O&M Expenses Account	6.22	Nil	**6.22**	74.60
	AEML Senior Debt Restricted Amortisation Account	0.02	Nil	**0.02**	0.02
	AEML Senior Debt Service Reserve Account*	0.24	2,205.17	**2,205.41**	2,062.35
	AEML Senior Debt Redemption Account	0.07	Nil	**0.07**	2.27
	AEML Senior Debt Redemption Reserve Account	0.02	665.65	**665.67**	0.02
	AEML Capital Expenditure Reserve Account*	0.02	4,978.86	**4,978.88**	5,354.70
	AEML Subordinated Debt Payment Account	0.02	Nil	**0.02**	0.02
	AEML Subordinated Debt Reserve Account	0.02	797.91	**797.93**	747.03
	AEML Surplus Holdings Account	0.02	Nil	**0.02**	0.02
	AEML Distributions Account	0.01	Nil	**0.01**	0.02
	AEML Enforcement Proceeds Account	0.02	Nil	**0.02**	0.02
A	**AEML PAD Accounts**	**200.73**	**18,660.25**	**18,860.98**	10,647.32
B	AEML Non PAD Account*	560.59	3,664.32	4,224.91	14,100.57
C	**Total Fund Balance (A+B)**	**761.32**	**22,324.57**	**23,085.89**	24,747.89
E	Add : Cash on Hand	4.28	-	**4.28**	7.99
F	Add : Cheques / Drafts On Hand	140.42	-	**140.42**	90.99
I	**Total AEML Cash & Cash Equivalent Balance (C+D+E+F)**	**906.02**	**22,324.57**	**23,230.59**	24,846.87
II	**PDSL Cash Balance**	4.30	-	**4.30**	16.05
	Total Obligor Group Cash Balance (I+II)	**910.32**	**22,324.57**	**23,234.89**	24,862.92

* Includes accrued interest on Investment

16. Appendix 2 - Form Certificate of Directors

July 28, 2023

To
Madison Pacific Trust Limited (the "Note Trustee")
54th Floor, Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong

Dear Ladies and Gentlemen

Adani Electricity Mumbai Limited ("AEML") and Power Distribution Services Limited ("PDSL") (incorporated in the Republic of India with limited liability) U.S. $ 1,000,000,000 3.949 per cent Senior Secured Notes due 2030 and U.S. $ 300,000,000 3.867 per cent Sustainability Linked Notes due 2031 under the U.S. $ 2,000,000,000 Global Medium Term Note Programme

In accordance with the clause 6.5 of the Note Trust Deed dated February 12, 2020 (the "Note Trust Deed") and clause 13.1 (v) of the Trust Deed dated July 13, 2021 (as amended and/or supplemented from time to time, (the "Trust Deed") made between (1) Adani Electricity Mumbai Limited and Power Distribution Services Limited (the "Issuers") and (2) the Note Trustee, we, as Directors of the Issuers, hereby confirm that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the Issuers that as at date not more than five days before the date of this certificate (the "Certification Date"):

a. As of July 22, 2023, no Event of Default or Potential Event of Default had occurred since December 28, 2022 (the last compliance certificate issue date).

b. from and including July 22, 2023 to and including July 27, 2023 each Issuer has complied in all respects with its obligations under the Note Trust Deed and Trust Deed.

Terms not defined herein shall have the same meanings as provided in the Note Trust Deed and Trust Deed.

Yours faithfully

For Adani Electricity Mumbai Limited	For Power Distribution Services Limited
K Patel	Rupera
Name: Kandarp Patel	Name: Mehul Rupera
Designation: Managing Director & CEO	Designation: Director

adani Electricity

July 28, 2023

To
Madison Pacific Trust Limited (the "Note Trustee")
54th Floor, Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong

Dear Ladies and Gentlemen

Adani Electricity Mumbai Limited ("AEML") and Power Distribution Services Limited ("PDSL") (incorporated in the Republic of India with limited liability) U.S. $ 1,000,000,000 3.949 per cent Senior Secured Notes due 2030.

In accordance with the Common Trust Deed dated February 12, 2020 and Accession Memorandum dated July 13, 2021 (as amended and/or supplemented from time to time, the "Note Trust Deed") made between (1) Adani Electricity Mumbai Limited and Power Distribution Services Limited (the "Issuers") and (2) the Note Trustee, we hereby certify on behalf of the Issuers, that:

1. The Security Package (including project documents and insurance contracts, if any) in respect of which Security has been created are as follows:

(a) a first ranking mortgage of immovable properties of the Borrower, listed in Schedule ("**Identified Immoveable Properties**").
(b) a negative lien over other immovable properties of the Borrower, excluding the Identified Immoveable Properties.
(c) a first charge by way of hypothecation of all the movable assets of the Project, both present and future.
(d) a first pari-passu charge on all book debts, operating cash flows, receivables (excluding 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.
(e) a 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.
(f) a first pari-passu charge/ assignment in relation to the MERC Licenses of the Project, subject to approval from MERC.
(g) a pledge over 100% of the entire paid-up equity and preference share capital of the Borrower.
(h) a negative lien of the PDSL in relation to the immoveable and moveable assets (including all book debts, operating cash flows, receivables, commissions, or revenues whatsoever of the PDSL), both present and future.
(i) Non-disposal undertaking on the shares of PDSL.

2. Stipulated Security Creation Timelines

(i) Security detailed under (b), (c), (d), (e), (g), (h) and (i) is already created and perfected by the relevant security providers (as applicable) within 90 (ninety days) from the first disbursement date ("**First Security Longstop Date**") for USD 1 bn.

(ii) Security detailed under (a) and (f) is created and perfected for USD 1 billion Notes by the relevant security providers (as applicable) within 90 (ninety days) from the date by which the Borrower has procured relevant regulatory approvals and completed formalities for release of charge of existing lenders (who are being refinanced through the proceeds of the bonds) ("**Second Security Longstop Date**").

3. **Ranking of Security**

The Security Interest created on the Security as aforesaid shall rank pari passu inter se the Senior Secured Creditors.

Terms not defined herein shall have the same meanings as provided in the Note Trust Deed.

Yours faithfully

For Adani Electricity Mumbai Limited	For Power Distribution Services Limited
Name: Kandarp Patel Designation: Managing Director & CEO	Name: Kunjal Mehta Designation: Authorised Signatory

July 28, 2023

To
Madison Pacific Trust Limited (the "Note Trustee")
54th Floor, Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong

Dear Ladies and Gentlemen

Adani Electricity Mumbai Limited ("AEML") and Power Distribution Services Limited ("PDSL") (incorporated in the Republic of India with limited liability) U.S. $ 300,000,000 3.867 per cent Sustainability Linked Notes due 2031 under the U.S. $ 2,000,000,000 Global Medium Term Note Programme

In accordance with the Common Trust Deed dated February 12, 2020 and Accession Memorandum dated July 13, 2021 (as amended and/or supplemented from time to time, the "Note Trust Deed") made between (1) Adani Electricity Mumbai Limited and Power Distribution Services Limited (the "Issuers") and (2) the Note Trustee, we hereby certify on behalf of the Issuers, that:

1. The Security Package (including project documents and insurance contracts, if any) in respect of which Security has been created are as follows:

(a) a first ranking mortgage of immovable properties of the Borrower, listed in Schedule ("**Identified Immoveable Properties**").
(b) a negative lien over other immovable properties of the Borrower, excluding the Identified Immoveable Properties.
(c) a first charge by way of hypothecation of all the movable assets of the Project, both present and future.
(d) a first pari-passu charge on all book debts, operating cash flows, receivables (excluding 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.
(e) a 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.
(f) a first pari-passu charge/ assignment in relation to the MERC Licenses of the Project, subject to approval from MERC.
(g) a pledge over 100% of the entire paid-up equity and preference share capital of the Borrower.
(h) a negative lien of the PDSL in relation to the immoveable and moveable assets (including all book debts, operating cash flows, receivables, commissions, or revenues whatsoever of the PDSL), both present and future.
(i) Non-disposal undertaking on the shares of PDSL.

2. Stipulated Security Creation Timelines

(i) Security detailed under (b), (c), (d), (e), (g), (h) and (i) is already created and perfected by the relevant security providers (as applicable) within 90 (ninety days) from the first disbursement date ("**First Security Longstop Date**") for USD 300 million.

(iii) Security detailed under (a) and (f) is created and perfected for USD 300 million Notes by the relevant security providers (as applicable) within 90 (ninety days) from the date by which the Borrower has procured relevant regulatory approvals and completed formalities for release of charge of existing lenders (who are being refinanced through the proceeds of the bonds) ("**Second Security Longstop Date**").

3. Ranking of Security

The Security Interest created on the Security as aforesaid shall rank pari passu inter se the Senior Secured Creditors.

Terms not defined herein shall have the same meanings as provided in the Note Trust Deed.

Yours faithfully

For Adani Electricity Mumbai Limited	For Power Distribution Services Limited
Name: Kandarp Patel Designation: Managing Director & CEO	Name: Kunjal Mehta Designation: Authorised Signatory

17. Annexure VII - Working Notes

Working Note 1 : Opening Cash Balance (as on April 1, 2022) **Amount (Rs million)**

Sr. No.	Particulars	Amount	Financial Statement Note No.
	Working Note 1		
	Opening Cash Balance (as on April 1, 2022)		
a	Cash & Cash Equivalents	760.13	Note 14
	Investments (including income accrued)		
	Bank Balance Other than Cash and Cash Equivalents - At Amortised Cost	6,244.81	Note 15
	Fixed Deposit with Banks	5,163.35	Note 9
	Market Investment - classified under Loans	10,400.00	Note 8
	Contingency Reserve Investments	2,294.63	Note 7a & 7b
b	**Total Investments (including income accrued)**	**24,102.79**	
I	**Total Opening Cash Balance (a+b)**	**24,862.92**	
	Restricted Cash & Cash Equivalents		
	Less : Debt Service Reserve Account		
	Senior Secured Notes - USD 1 billion	1,606.80	MIS
	Sustainability Linked Notes (USD 300 million)	455.14	MIS
	Shareholders Affiliated Debts	747.01	MIS
a	**Total Debt Service Reserve Account**	**2,808.95**	
b	Capital Expenditure Reserve Account	5,354.68	MIS
II	**Total Restricted Cash Balance**	**8,163.63**	
		16,699.29	
	Less : Interest Paid on Shareholders Affiliated Loans during April 2022 to March 2023	1,419.54	MIS
	Total Opening Cash Balance	**15,279.75**	

Working Note 2 : Finance Cost Breakup **Amount (Rs million)**

Sr. No.	Particulars	Amount	Financial Statement Note No.
I	**Interest on Foreign Currency Loans**		
	Senior Secured Note (USD 1 billion)		
	Interest	3,236.08	MIS
	Withholding Tax on Interest	187.32	
	Fees Amortised	85.33	
A	**Total Senior Secured Note**	**3,508.73**	Note 28
	Shareholders Affiliated Debts		
	Interest	1,471.36	MIS
	Fees Amortised	35.32	
B	**Total Shareholders Affiliated Debts**	**1,506.68**	Note 28
	Sustainability Linked Notes (USD 300 million)		
	Interest	946.69	MIS
	Withholding Tax on Interest	54.67	
	Fees Amortised	29.92	
C	**Total Senior Secured Note - GMTN**	**1,031.28**	Note 28
I	**Total Interest on Foreign Currency Loans (A+B+C)**	**6,046.69**	
	Interest on Working Capital	714.33	Note 28
II	**Total Interest on Working Capital**	**714.33**	

	Hedge Cost on Foreign Currency Loans		
	Senior Secured Note	2,851.32	MIS
	Shareholders Affiliated Debts	505.33	
	Sustainability Linked Notes (USD 300 million)	951.10	
III	**Total Hedge Cost on Foreign Currency Loans**	**4,307.75**	
IV	Interest on Consumer Security Deposits	200.28	Note 28
V	Interest on lease obligation (Ind AS)	44.83	
VI	Interest - Others	11.27	
VII	Foreign Exchange Fluctuation Loss	3,522.32	
VIII	Other Finance Charges	13.79	
IX	Interest Cost Capitalised	(518.69)	
	Total (I to X)	**14,342.57**	

Working Note 3 : Finance Cost as per Definition in DSCR **Amount (Rs million)**

Sr. No.	Particulars	Amount	Source
	Finance Cost as per Definition in DSCR		Refer Working Note No. 2
	Interest on		
	Senior Secured Notes (USD 1 billion)	3,236.08	
	Sustainability Linked Notes (USD 300 million)	946.69	
	Hedge Cost on		
	Senior Secured Notes (USD 1 billion)	2,851.32	
	Sustainability Linked Notes (USD 300 million)	951.10	
	Interest to Senior Creditors	**7,985.19**	

Working Note 4: Finance Cost Outflow Breakup (Net) **Amount (Rs million)**

Sr. No.	Particulars	Amount	Source
	Finance Cost Outflow Breakup (Net)	**10,371.78**	Cash flow Statement
	Less : Payment of Lease Liability Obligation	141.00	
	Less : Interest of Lease Liability Obligation	44.83	
	Add : Hedge Inflow	661.69	MIS
	Less : Interest on Consumer Security Deposit	200.28	
	Less : Interest on Sub Debt	1,419.54	
	Less : Interest Others	11.27	
	Less : Other Finance Charges	13.09	
	Cash Net Interest	**9,203.46**	

Working Note 5: Cash Interest Breakup **Amount (Rs million)**

Sr. No.	Particulars	Amount	Source
	Interest on		MIS
	Senior Secured Notes (USD 1bn)	3,436.72	
	Sustainability Linked Notes (USD 300 million)	934.95	
	Hedge Cost on		
	Senior Secured Notes (USD 300 million)	2,661.13	
	Sustainability Linked Notes (USD 300 million)	1,486.81	
I	**Senior Creditor Debt Service**	**8,519.61**	
II	Working Capital	683.85	
	Cash Interest	**9,203.46**	

Working Note 6: Total Indebtedness **Amount (Rs million)**

Sr. No.	Particulars	Amount	Financial Statement Note No
	External Commercial Borrowings		
	Senior Secured Notes (USD 1 billion)	74,277.10	MIS - at Spot Hedge Rate
	Sustainability Linked Notes (USD 300 million)	22,980.99	
	Less : Senior Debt Redemption Reserve (USD 300 million)	665.65	Refer Working Note No. 7
a	**Total External Commercial Borrowings**	**96,592.44**	
	Working Capital Loans (RCF)		
	Secured Working capital short term loan	5,000.00	Note 23
b	**Total Working Capital Loans (RCF)**	**5,000.00**	
	Total Indebtness (a+b)	**101,592.44**	

Working Note 7: Closing Cash Balance **Amount (Rs million)**

Sr. No.	Particulars	Amount	Financial Statement Note No
a	Cash & Cash Equivalents	910.32	Note 14
	Investments (including income accrued)		
	Bank Balance Other than Cash and Cash Equivalents - At Amortised Cost	6,224.53	Note 15
	Fixed Deposit with Banks	6,087.38	Note 9
	Mutual Fund	7,429.02	Note 7b
	Contingency Reserve Investment	2,583.64	Note 7a & 7b
b	**Total Investments (including income accrued)**	**22,324.57**	
I	**Total Cash & Cash Equivalents (a+b)**	**23,234.89**	
	Restricted Cash & Cash Equivalents		
	Debt Service Reserve Account		
	Senior Secured Notes - (USD 1 billion)	1,732.64	MIS
	Sustainability Linked Notes (USD 300 million)	472.53	
	Senior Debt Service Reserve Account	**2,205.17**	
	Sub Debt Service Reserve Account	797.91	
c	**Total Debt Service Reserve Account**	**3,003.08**	
d	Capital Expenditure Reserve Account	4,978.86	
e	Senior Debt Redemption Reserve USD 300 million	665.65	
II	**Total Restricted Cash Balance (c+d+e)**	**8,647.59**	
	Cash Balance (I-II)	**14,587.30**	

Working Note 8: Senior Debt Outstanding (at Spot Hedging Rate) **Amount (Rs million)**

Sr. No.	Particulars	Amount	Source
	External Commercial Borrowings		
	Senior Secured Notes (USD 1 billion)	74,277.10	MIS - at Spot Hedging Rate
	Sustainability Linked Notes (USD 300 million)	22,980.99	
	Less : Senior Debt Redemption Reserve (USD 300 million)	665.65	Refer Working Note No. 7
	Total Senior Debt	**96,592.44**	

Working Note 9: Cash utilised from internal accrual for Capital Expenditure during the trailing twelve months

Amount (Rs million)

Sr. No.	Particulars	Amount	Source
	Cash Outflow towards Capital Expenditure	11,546.95	Cash flow Statement
	Less : Proceeds from Sale of Property, Plant and Equipment	132.70	
	Less : Consumer Contribution (Net)	338.17	
	Less : Capex Loan Utilised for Capital Expenditure	-	
	Cash utilised from internal accrual to Fund Capital Expenditure	**11,076.08**	

Working Note 10: Estimated Equity (internal accrual) for capital expenditure from April 2023 to September 2023

Amount (Rs million)

Sr. No.	Particulars	Amount	Source
	Estimated Capital Expenditure April 2023 to September 2023	5,000.00	MIS
	Less : Capital Expenditure Reserve Account	4,978.86	Refer Working Note No. 7
	Balance Estimated Equity (internal accrual) for capital expenditure	**21.14**	

Working Note 11: Regulatory Capital Expenditure pending capitalisation Amount (Rs million)

Sr. No.	Particulars	Amount	Financial Statement Note No
	Capital Work-In-Progress	6,544.32	Balance Sheet
	Leasehold Land - Under Development	5,006.80	MIS
	Capital Advance	537.50	Note 11
	Capital Expenditure pending capitalisation	**12,088.62**	

Working Note 12: Debt Service Reserve (DSRA) Calculation Amount (Rs million)

Sr. No.	Particulars	Required DSRA Amount	Actual DSRA Amount	Source
A	USD 1bn - Six month of Interest - @ 3.949% pa on INR 71,257.20 million)	1,406.75	1,732.64	Refer Working Note No. 7
B	USD 300 mn - Six month of Interest - @ 3.867% pa on INR 22,319.91 million)	431.55	472.53	
I	**Total Senior Debt DSRA**	**1,838.30**	**2,205.17**	
II	**Shareholder Affiliated Debt**			
	Subordinate Debt - Six month of Interest - @ 6.365% pa on INR 20,095.39 million)	639.57	797.91	
	Total DSRA (I+II)	**2,477.87**	**3,003.08**	

Definitions and Abbreviations

The following terms used in this Compliance Certificate have the meanings set forth below.

AEML	Adani Electricity Mumbai Limited
PDSL	Power Distribution Services Limited
ADTPS	Adani Dahanu Thermal Power Station
TPM	Total Particulate Matter
SOx	Sulfur Oxides
NOx	Nitrogen Oxides
CUF	Capacity utilization factor
MCGM	Municipal Corporation of Greater Mumbai
HPSV	High Pressure Sodium Vapour
LED	Light emitting diode
ASAI	Average Service Availability Index
SAIFI	System Average Interruption Frequency Index indicates average number of interruptions,
SAIDI	System Average Interruption Duration Index indicates average outage duration for each customer served,
CAIDI	Customer Average Interruption Duration Index (CAIDI): indicates average time required to restore service during a predefined period of time.
RPM	Renewable Power Mix
GHG	Greenhouse Gas
FY	Financial Year
KPI	Key Performance Indicator
tCO2e	Tonnes (t) of carbon dioxide (CO2) equivalent (e)
SPT	Sustainability Performance Targets
FAC	Fuel Adjustment Charge
EBITDA	Earnings before Interest, Tax, Depreciation, and amortization
INR	Indian Rupee
Rs.	Indian Rupee

Appendix 3 - Audited Accounts of Obligor Group for twelve months ended on March 31, 2023

Deloitte Haskins & Sells LLP

Chartered Accountants
One International Center
Tower 3, 27th-32nd Floor,
Senapati Bapat Marg,
Elphinstone Road (West)
Mumbai – 400013
Maharashtra, India

Tel: +91 22 6185 4000
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INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF ADANI ELECTRICITY MUMBAI LIMITED

Report on the Audit of the Special Purpose Combined Financial Statements

Qualified Opinion

We were the statutory auditors of Adani Electricity Mumbai Limited (the "Company") for the year ended March 31, 2023. We have audited the accompanying special purpose combined financial statements of the Company and Power Distribution Services Limited ("PDSL"), a fellow subsidiary of the Company, (collectively, the "Obligor Group") as described in Note 1 of the special purpose combined financial statements, which comprise the Special Purpose Combined Balance Sheet as at March 31, 2023, the Special Purpose Combined Statement of Profit and Loss (including other comprehensive Income), the Special Purpose Combined Statement of Changes in Net Shareholder's Investment and the Special Purpose Combined Statement of Cash Flows for the year ended March 31, 2023, and a summary of significant accounting policies and other explanatory information (collectively, the "Special Purpose Combined Financial Statements").

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 the other auditor on separate statutory financial statements of PDSL referred to in the Other Matters section below, except for the possible effects of the matter described in the Basis for Qualified Opinion section below, the aforesaid Special Purpose Combined Financial Statements is prepared, in all material respects, in accordance with the basis set out in Note 2.2 to the Special Purpose Combined Financial Statements.

Basis for Qualified Opinion

The Company had purchase transactions with certain parties including those identified in the allegations made in the Short Seller Report. The Obligor group has represented to us that there is no effect of the allegations made in the Short Seller Report on these financial statements based on their evaluation and after consideration of a memorandum prepared by an external law firm on the responses to the allegations in the Short Seller Report issued by the Adani Group. The Obligor Group did not consider it necessary to have an independent external examination of these allegations because of their evaluation and the ongoing investigation by the Securities and Exchange Board of India as directed by the Hon'ble Supreme Court. The evaluation performed by the Obligor Group, as stated in Note 37 of the special purpose combined financial statements, does not constitute sufficient appropriate audit evidence for the purposes of our audit. In the absence of an independent external examination by the Obligor Group and pending completion of investigation, including matters referred to in the Report of the Expert Committee constituted by the Hon'ble Supreme Court of India as described in Note 37 to the special purpose combined financial statements, by the Securities and Exchange Board of India, we are unable to comment on whether these transactions or any other transactions may result in possible adjustments and/or disclosures in these financial statements in respect of related parties, and whether the Obligor Group should have complied with the applicable laws and regulations.

We conducted our audit of the Special Purpose Combined Financial Statements in accordance with the Standards on Auditing (SAs) and other pronouncements issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Combined Financial Statements section of our report. We are independent of the Obligor Group in accordance with the Code of Ethics issued by the ICAI together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 (the "Act") and the Rules made thereunder, and we have fulfilled our other responsibilities in accordance with these requirements and the Code of Ethics. Except for the matter described in the Basis for Qualified Opinion section above, we believe that the audit evidence obtained by us and other auditor in terms of their report referred in Other Matters section below, is sufficient and appropriate to provide a reasonable basis for our qualified opinion on the Special Purpose Combined Financial Statements.

Emphasis of Matter - Basis of Accounting and Restriction on Use

We draw attention to notes 2.1 and 2.2 to the Special Purpose Combined Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Combined Financial Statements have been prepared by the Company's Management by combining the audited financial statements for the year ended March 31, 2023 of the Obliger Group for onward submission to the lenders of Obliger Group as per the requirements of clause 1 (a) (ii) of Schedule 3 of the Common Terms Deed dated February 12, 2020 entered into between the Company, PDSL, Madison Pacific Trust Limited and SBICAP Trustee Company Limited in respect of the US Dollar denominated bonds listed on Singapore Exchange Securities Trading Limited (SGX-ST) and the US$ 400 million Facility Agreement dated February 13, 2020 entered into between the Company, PDSL, Arrangers, Original Lenders, Citicorp International Limited and SBICAP Trustee Company Limited. As stated in Note 2.2, these financial statements are not in accordance with Ind AS Consolidation, except that intercompany transactions, if any, have been eliminated. Accordingly, this Special Purpose Combined Financial Statements may not be suitable for any other purpose. Our report is intended solely for the purpose stated in Note 2.1 to the Special Purpose Combined Financial Statements and is not to be used, referred to or distributed for any other purpose without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Our opinion is not modified in respect of this matter.

Other Matters

(a) We did not audit the financial statement of Power Distribution Services Limited included in the accompanying Special Purpose Combined Financial Statements include whose financial statements reflect total assets of Rs 88.51 million as at 31 March, 2023 total revenue of Rs. 127.12 million and net cash outflow of Rs 11.75 million for the year ended on that date. The financial statements of Power Distribution Services Limited were audited by other auditors and the financial statements, other financial information and unmodified auditor's report have been furnished to us by the Obligor Group. Our opinion on the Special Purpose Combined Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this entity, and our report as aforesaid in so far as it relates to the aforesaid entity, is based solely on the report of other auditors.

(b) We are not statutory auditors of majority of the other Adani group companies and therefore the scope of our audit does not extend to any transactions or balances which may have occurred or been undertaken between these Adani group companies and any supplier, customer or any other party which has had a business relationship with the Group during the year.

(c) We were the statutory auditor of the Company for a tenure of 5 years which concluded on July 17, 2023 being the date on which Annual General meeting of the Company for the year ended March 31, 2023 was held.

Our opinion is not modified in respect of the above matters.

Management's Responsibility for the Special Purpose Combined Financial Statements

The Board of Directors of the Company are responsible for the preparation and presentation of these Special Purpose Combined Financial Statements that give a true and fair view of the financial position, financial performance, changes in Net Shareholder's investment and cash flows of the Obligor Group in accordance with the basis of preparation and presentation stated in Note 2.2 to the Special Purpose Combined Financial Statements for the purpose of onward submission to the lenders as stated in Note 2.1 to the Special Purpose Combined Financial Statements.

The respective Board of Directors of the companies included in the Obligor Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Obligor 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 Special Purpose Combined 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 Special Purpose Combined Financial Statements by the Directors of the Obligor Group, as aforesaid.

In preparing the Special Purpose Combined Financial Statements, Directors of the Obligor Group are responsible for assessing the Obligor Group'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 Obligor Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Obligor Group are also responsible for overseeing the Obligor Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose Combined 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 and other pronouncements issued by ICAI 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 Special Purpose Combined Financial Statements.

As part of an audit in accordance with SAs and other pronouncements issued by ICAI, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose Combined 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, but not for expressing an opinion on the effectiveness of the Obligor Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Obligor Group'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 Special Purpose Combined 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 Obligor Group to cease to continue as a going concern.

Materiality is the magnitude of misstatements in the Special Purpose Combined Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Special Purpose Combined 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 Special Purpose Combined 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 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.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

MBengali

Mohammed Bengali
(Partner)
(Membership No.105828)
(UDIN: 23105828BGWPKF7420)

Place: Dubai
Date: 24 July, 2023

ADANI ELECTRICITY MUMBAI LIMITED
CIN No : U74999GJ2008PLC107256
Obligor Group Special Purpose Combined Balance Sheet

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(₹ in Millions)

Particulars	Note	As at 31 March, 2023	As at 31 March, 2022
ASSETS			
Non-current Assets			
Property, Plant and Equipment	6	1,38,741.28	1,34,877.10
Capital Work-In-Progress	6c	6,544.32	3,154.84
Right-of-Use Assets	6a	5,709.32	5,927.92
Intangible Assets	6b	10,414.40	10,381.86
Financial Assets			
(i) Investments	7a	2,336.29	2,046.39
(ii) Loans	8	259.24	10,683.95
(iii) Other Financial Assets	9	11,843.40	7,002.31
Income Tax Assets (net)	10	29.30	39.10
Other Non-current Assets	11	581.70	719.01
Total Non-current Assets		1,76,459.25	1,74,832.48
Current Assets			
Inventories	12	927.46	2,044.91
Financial Assets			
(i) Investments	7b	7,676.57	248.44
(ii) Trade Receivables	13	4,522.69	4,858.52
(iii) Cash and Cash Equivalents	14	910.32	760.13
(iv) Bank Balances other than (iii) above	15	6,224.53	6,244.81
(v) Loans	8	68.70	70.09
(vi) Other Financial Assets	9	6,230.61	6,235.89
Income Tax Assets (net)	10	7.88	9.42
Other Current Assets	11	1,388.41	1,459.49
Total Current Assets		27,957.17	21,931.70
Total Assets before Regulatory Deferral Account		2,04,416.42	1,96,764.18
Regulatory Deferral Account - Assets		19,617.26	11,219.22
Total Assets		2,24,033.68	2,07,983.40
EQUITY AND LIABILITIES			
Equity			
Net Shareholder's Investment	16	47,217.95	46,986.31
Total Equity		47,217.95	46,986.31
Liabilities			
Non-current Liabilities			
Financial Liabilities			
(i) Borrowings	17	1,28,886.24	1,18,646.50
(ii) Trade Payables	18		
(A) total outstanding dues of micro enterprises and small enterprises; and		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		327.56	322.21
(iii) Lease Liabilities	19	144.70	262.51
(iv) Other Financial Liabilities	20	37.14	660.24
Provisions	21	5,025.96	5,722.79
Deferred Tax Liabilities (Net)	30	2,606.10	1,793.50
Other Non Current Liabilities	22	2,656.36	2,454.62
Total Non-current Liabilities		1,39,684.06	1,29,862.37
Current Liabilities			
Financial Liabilities			
(i) Borrowings	23	5,000.00	-
(ii) Trade Payables	18		
(A) total outstanding dues of micro enterprises and small enterprises; and		428.76	250.73
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		15,469.79	14,631.41
(iii) Lease Liabilities	19	162.73	185.92
(iv) Other Financial Liabilities	20	12,087.22	9,760.08
Provisions	21	987.39	637.98
Current Tax Liabilities	24	-	21.30
Other Current Liabilities	22	2,995.78	2,931.70
Total Current Liabilities		37,131.67	28,419.12
Total Liabilities before Regulatory Deferral Account		1,76,815.73	1,58,281.49
Regulatory Deferral Account - Liabilities		-	2,715.60
Total Equity and Liabilities		2,24,033.68	2,07,983.40
See accompanying notes forming part of the special purpose combined financial statem		-	-

As per our attached report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm Registration Number : 117366W/W-100018

Mohammed Bengali
Partner
Membership No. 105828

Place : Dubai
Date : 24 July, 2023

For and on behalf of the Board of Directors
ADANI ELECTRICITY MUMBAI LIMITED

Anil Sardana
Chairman
DIN: 00006867

Kandarp Patel
Managing Director & CEO
DIN.: 02947643

Chief Financial Officer

Jaladhi Shukla
Company Secretary

Place : Ahmedabad
Date : 24 July, 2023

ADANI ELECTRICITY MUMBAI LIMITED
CIN No : U74999GJ2008PLC107256

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Obligor Group Special Purpose Combined Statement of Profit and Loss

(₹ in Millions)

Particulars	Note	For the year ended 31 March,2023	For the year ended 31 March,2022
Income :			
Revenue from Operations	25	83,609.57	69,089.40
Other Income	26	3,310.99	4,096.81
Total Income		**86,920.56**	**73,186.21**
Expenses :			
Cost Of Power Purchased		36,586.94	27,364.09
Cost of Fuel		13,841.81	10,659.91
Transmission Charges		4,823.09	4,778.41
Purchases of traded goods		35.87	7.58
Employee Benefits Expense	27	8,780.02	7,986.81
Finance Costs	28	14,342.57	11,603.76
Depreciation and Amortisation Expenses	6,6a&6b	7,426.21	6,515.84
Other Expenses	29	9,377.78	8,357.56
Total Expenses		**95,214.29**	**77,273.96**
Loss Before Movement in Regulatory Deferral Balance and Tax		**(8,293.73)**	**(4,087.75)**
Add/(Less): Net Movement in Regulatory Deferral Balance		10,355.77	6,824.71
Profit Before Tax		**2,062.04**	**2,736.96**
Tax Expense:	30		
Current Tax		278.50	484.25
Deferred Tax		812.60	1,011.80
		1,091.10	**1,496.05**
Profit after tax	**Total A**	**970.94**	**1,240.91**
Other Comprehensive Income / (Expense)			
(a) Items that will not be reclassified to profit or loss			
-Remeasurement of Defined Benefit Plans		479.42	171.69
Movement in Regulatory Deferral		(479.42)	-
(b) Tax related to items that will not be reclassified to profit or loss			
-Current Tax		(83.76)	(30.00)
(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		(655.54)	(1,518.74)
Other Comprehensive Expense	**Total B**	**(739.30)**	**(1,377.05)**
Total Comprehensive Income	**Total (A+B)**	**231.64**	**(136.14)**

See accompanying notes forming part of the special purpose combined financial statements

As per our attached report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm Registration Number : 117366W/W-100018

Mohammed Bengali
Partner
Membership No. 105828

Place : Dubai
Date : 24 July, 2023

For and on behalf of the Board of Directors
ADANI ELECTRICITY MUMBAI LIMITED

Anil Sardana
Chairman
DIN: 00006867

Kandarp Patel
Managing Director & CEO
DIN.: 02947643

Kunjal Mehta
Chief Financial Officer

Jaladhi Shukla
Company Secretary

Place : Ahmedabad
Date : 24 July, 2023

ADANI ELECTRICITY MUMBAI LIMITED
CIN No : U74999GJ2008PLC107256
Special Purpose Combined Statement of Changes in Net Shareholder's Investment

adani

	As at 31 March, 2023	As at 31 March, 2022
	(₹ in Millions)	(₹ in Millions)
Opening Balance	46,986.31	47,122.45
Profit for the year	970.94	1,240.91
Other comprehensive Expense for the year (net of tax)	(739.30)	(1,377.05)
Closing Balance	47,217.95	46,986.31

Closing Balance of Net Shareholder's Investment represents the aggregate amount of Share Capital and other equity of each of the entities within the Obligor Group, and does not necessarily represent legal Share Capital for the purpose of the Obligor Group.

See accompanying notes forming part of the special purpose combined financial statements
As per our attached report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm Registration Number : 117366W/W-100018

Mohammed Bengali
Partner
Membership No. 105828

Place : Dubai
Date : 24 July, 2023

For and on behalf of the Board of Directors
ADANI ELECTRICITY MUMBAI LIMITED

Anil Sardana
Chairman
DIN: 00006867

Kandarp Patel
Managing Director & CEO
DIN.: 02947643

Kunjal Mehta
Chief Financial Officer

Jaladhi Shukla
Company Secretary

Place : Ahmedabad
Date : 24 July, 2023

ADANI ELECTRICITY MUMBAI LIMITED
CIN No : U74999GJ2008PLC107256
Obligor Group Special Purpose Combined Statement of Cash flows

adani

(₹ in Millions)

	Particulars	For the year ended 31 March,2023	For the year ended 31 March,2022
A.	**Cash flow from operating activities**		
	Profit before tax	2,062.04	2,736.96
	Adjustments for:		
	Interest Income	(2,631.69)	(3,093.76)
	Delayed Payment Charges	(354.90)	(229.00)
	Unrealised Foreign Exchange Gain from Borrowings net of Hedging	3,522.32	1,556.44
	Amortisation of Service Line Contribution	(118.61)	(103.00)
	Gain On Sale / Fair Value Of Current Investments Measured at FVTPL	(47.33)	(11.31)
	Finance Costs	10,820.25	10,047.32
	Depreciation and Amortisation Expense	7,426.21	6,515.84
	(Profit)/Loss on sale of Fixed Assets (Net)	(27.78)	(4.17)
	Sundry credit balances written back	(24.38)	(574.11)
	Provision no longer required written back	-	(387.42)
	Bad Debts Written Off	152.09	183.15
	Provision for Doubtful Debts / Advances / Deposits	55.82	-
	Operating Profit before working capital changes	**20,834.04**	**16,636.94**
	Changes in Working Capital:		
	Adjustments for (Increase) / Decrease in Assets :		
	Trade Receivables	183.74	1,037.62
	Inventories	1,117.45	(109.92)
	Financial Assets - Current / Non Current	(86.35)	(1,324.27)
	Other Assets - Current / Non Current	60.39	2,409.82
	Regulatory Deferral Account - Assets	(8,398.04)	(6,824.71)
	Adjustment for Increase / (Decrease) in Liabilities :		
	Trade Payables - Current / Non Current	1,046.14	3,680.49
	Financial Liabilities - Current / Non Current	391.42	(60.50)
	Provisions - Current / Non Current	(347.42)	524.97
	Other Liabilities - Current / Non Current	46.26	(134.84)
	Regulatory Deferral Account - Liability	(2,715.60)	-
	Cash generated from operations	**12,132.03**	**15,835.60**
	Tax paid (Net)	(372.22)	(499.22)
	Net cash from operating activities (A)	**11,759.81**	**15,336.38**
B.	**Cash flow from investing activities**		
	Capital expenditure on Property, Plant and Equipment & Intangible Assets	(11,546.95)	(12,354.36)
	Proceeds from Sale of Property, Plant and Equipment	132.70	84.67
	(Purchase) / Sale of Mutual Funds / Other Investments-Net	(7,670.70)	(274.13)
	Bank balances not considered as Cash & Cash Equivalents	(903.75)	2,372.80
	Advances - Given	-	(6,072.20)
	Advances - received back	-	6,072.20
	Loans given	(10,432.80)	-
	Loans repaid	20,830.00	-
	Loans to employees repaid (net)	28.90	44.24
	Delayed payment charges received	354.90	229.00
	Interest Received	2,631.69	2,998.56
	Net cash used in investing activities (B)	**(6,576.01)**	**(6,899.22)**
C.	**Cash flow from financing activities**		
	Increase in Service Line Contribution	338.17	253.33
	Proceeds from Long-term borrowings	-	22,319.80
	Repayment of Long-term borrowings	-	(13,694.00)
	Proceeds from Short-term borrowings	45,067.77	15,355.31
	Repayment of Short-term borrowings	(40,067.77)	(24,188.84)
	Payment of Lease Liability Obligation	(141.00)	(161.20)
	Interest of Lease Liability Obligation	(44.83)	(62.46)
	Interest & Other Borrowing Cost	(10,185.95)	(9,029.68)
	Net cash used in financing activities (C)	**(5,033.61)**	**(9,207.74)**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**150.19**	**(770.58)**
	Cash and cash equivalents as at 01 April (Opening Balance)	**760.13**	**1,530.71**
	Cash and cash equivalents as at 31 March (Closing Balance)	**910.32**	**760.13**

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ADANI ELECTRICITY MUMBAI LIMITED
CIN No : U74999GJ2008PLC107256
Obligor Group Special Purpose Combined Statement of Cash flows

adani

(₹ in Millions)

Cash and Cash Equivalents Includes	As at 31 March, 2023	As at 31 March, 2022
Balances with banks		
- In current accounts	565.59	645.22
- Fixed Deposits	200.03	15.93
Cash On Hand	4.28	7.99
Cheques / Drafts On Hand	140.42	90.99
Total Cash & Cash Equivalents	910.32	760.13

See accompanying notes forming part of the special purpose combined financial statements

As per our attached report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm Registration Number : 117366W/W-100018

Mohammed Bengali
Partner
Membership No. 105828

Place : Dubai
Date : 24 July, 2023

For and on behalf of the Board of Directors
ADANI ELECTRICITY MUMBAI LIMITED

Anil Sardana
Chairman
DIN: 00006867

Kandarp Patel
Managing Director & CEO
DIN.: 02947643

Kunjal Mehta
Chief Financial Officer

Jaladhi Shukla
Company Secretary

Place : Ahmedabad
Date : 24 July, 2023

1 **Corporate information**

Adani Electricity Mumbai Limited ("AEML") ("The Company") is a public limited company incorporated and domiciled in India having its registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad 382421, Gujarat, India. It is subsidiary of Adani Transmission Limited (ATL) ("the Holding Company") and ultimate holding entity is S. B. Adani Family Trust (SBAFT).

The integrated Mumbai Generation, Transmission and Distribution (GTD) Business, under a license, transmits and distributes electricity to consumers in and around suburbs of Mumbai inclusive of areas covered under the Mira Bhayender Municipal Corporation, making it the country's largest private sector integrated power utility.

The Tariff to be charged to the consumers is regulated by Maharashtra Electricity Regulatory Commission ("MERC").

Power Distribution Services Limited ("PDSL"), (formerly known as Adani Electricity Mumbai Services Limited) is incorporated on 6 December 2019 and domiciled in India having its registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad 382421, Gujarat, India. It is subsidiary of Adani Transmission Limited (ATL) ("the Holding Company") and ultimate holding entity is S. B. Adani Family Trust (SBAFT). It is incorporated with the object to provide multiple services including human resource management, administrative support, information technology support, finance and accounts, audit and assurance support, treasury management, tax advisory, security support and training, other corporate support, business plan advisory, advisory on the implementation of best practices in line with global utility players, and advisory on process improvement. The above services are only indicative, and the nature and quantum of services may vary.

The Company and PDSL is together referred to as "the Obligor Group" in these Special Purpose Combined Financial Statements. The purpose and basis of preparation of this special purpose combined financial statement has been explained in Note 2.1 & Note 2.2.

The equity shares in the Company and PDSL are held by the Holding Company (74.90%) and Qatar Holding LLC (25.10%) , which have been referred to in these Special Purpose Combined Financial Statements as "Net Shareholder's Investment".

The Obligor Group Comprise of the Company and the following entity

Entity	Country of Incorporation
Power Distribution Services Limited	India

These financial statements of the Obligor Group for the year ended March 31, 2023 were authorised for issue by the board of directors on 24 July, 2023.

2.1 **Purpose of the special purpose combined financial statements**

The special purpose combined financial statements of Obligor Group have been prepared solely for the Company's Management for onward submission to the lenders of Obliger Group for meeting the requirement of clause 1 (a) (ii) of Schdule 3 of the Common Terms Deed (CTD) dated 12 February, 2020 and CTD Asscession Memoradum dated 13 July 2021 entered into between the Company, PDSL, Madison Pacific Trust Limited and SBICAP Trustee Company Limited in respect of the US Dollar denominated bonds listed on Singapore Exchange Securities Trading Limited (SGX-ST) and the US$ 400 million Facility Agreement dated 13 February, 2020 entered into between the Company, PDSL, Arrangers, Original Lenders, Citicorp International Limited and SBICAP Trustee Company Limited requiring submission of accounts of the Obligors by the Management of the Company within stipulated time.

Arrangers Include Barclays Bank PLC, Citibank, N.A., Deutsche Bank AG, Emirates NBD Bank (P.J.S.C.), JPMorgan Chase Bank, N.A., MUFG Bank, Ltd. Qatar National Bank (Q.P.S.C.) and Standard Chartered Bank Singapore Limited.

The special purpose combined Financial statements presented herein reflect the Obligor Group's results of operations, assets and liabilities and cash flows as at and for the year ended 31 March, 2023. The basis of preparation and significant accounting policies used in preparation of these Special Purpose Combined Financial Statements are set out in note 2.2 and 3 below.

2.2 **Basis of preparation and presentation**

The Special Purpose Combined Financial Statements of the Obligor Group have been prepared in accordance with "recognition and measurement principles of Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 ("the Act") (as amended from time to time) (except Ind AS-33 on Earning Per Share) and other accounting principles generally accepted in India and the Guidance Note on Combined and Carve-out Financial Statements issued by the Institute of Chartered Accountants of India (ICAI). Accordingly, these Special Purpose Combined Financial Statements are not in accordance with Ind AS Consolidation, except that intercompany transactions, if any, have been eliminated.

As these special purpose combined financial statements have been prepared on a combined basis, it is not meaningful to show share capital or provide an analysis of reserves. Net Shareholder's investment, therefore, represents the difference between the assets and liabilities pertaining to combined businesses. Share capital of Obligor Group is held by the Holding Company (74.90%) and Qatar Holding LLC (25.10%). Earnings Per Share have not been presented in these Special Purpose Combined Financial Statements, as Obligor Group did not meet the applicability criteria as specified under Ind AS 33 – Earnings Per Share

Management has prepared these special purpose combined financial statements to depict the historical financial information of the Obligor Group.

The Special Purpose Combined Financial Statements have been prepared on a going concern basis under the historical cost convention except for Investments in mutual funds and certain financial assets and liabilities that are measured at fair values whereas net defined benefit (asset)/ liability are valued at fair value of plan assets less defined benefit obligation at the end of each reporting period, as explained in the accounting policies below.

As per the Guidance Note on Combined and Carve Out Financial Statements, the procedure for preparing combined financial statements of the combining entities is similar to that of consolidated financial statements as per the applicable Ind AS. Accordingly, when combined financial statements are prepared, intra-group transactions and profits or losses are eliminated. The resulting financial position may not be that which might have existed if the combining businesses had been a stand-alone business.

Net Shareholder's investment disclosed in the Special Purpose Combined Financial Statements represents the aggregate amount of Share Capital and Other equity of each of the entities within the Obligor Group, and does not necessarily represent legal Share Capital for the purpose of the Obligor Group.

Accordingly, the following procedure is followed for the preparation of the Special Purpose Combined Financial Statements:

(a) Combined like items of assets, liabilities, equity, income, expenses and cash flows of the entities of the Obligor Group.

(b) Eliminated in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Obligor Group.

These Special Purpose combined financial statements are Combined Financial Statements and may not be necessarily indicative of the financial performance, financial position and cash flows of the Obligor Group that would have occurred if it had operated as separate stand-alone entities during the year presented or the Obligor Group's future performance. The Special Purpose Combined Financial Statements include the operation of entities in the Obligor Group, as if they had been managed together for the year presented.

Transactions that have taken place with other Group Companies (i.e. other entities which are a part of the Group and not included in the Obligor Group of entities) have been disclosed in accordance of Ind AS 24, Related Party Disclosures. The preparation of financial information in conformity with Ind AS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Obligor Group's accounting policies.

Income taxes are arrived at by aggregation of the tax expenses accrued by the combining businesses, after considering the tax effects of any adjustments which is in accordance with the Guidance Note on Combined and Carve-Out Financial Statements issued by the ICAI.

The financial statements have been prepared in "Indian Rupees" which is also the Obligor Group's functional currency and all amounts, are rounded to the nearest Million with two decimals, (Transactions below ₹ 5000.00 denoted as ₹0.00), unless otherwise stated.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.3 Current versus Non-Current Classification

The Obligor 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 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 Obligor 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.

3 Summary of Significant Accounting Policies

3.01 1 Property, plant and equipment ("PPE")

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any.

In respect of Property, Plant and Equipment ("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 1 April, 2018, in line with the requirements of the Court Scheme, the Group has accounted for such Assets at their respective fair values as at April 01, 2018 based on valuation done by a Government registered valuer.

Subsequent additions to the assets on or after 1st April, 2018 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 IndAS 23. Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

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.

Depreciation

Depreciation commences when an asset is ready for its intended use. Freehold land is not depreciated.

Regulated Assets: Subject to the below, depreciation on property, plant and equipment in respect of Mumbai Generation, Transmission and Distribution business of the Group is covered under Part B of Schedule II of the Companies Act, 2013, and has been provided on the straight line method at the rates and using the methodology as notified by the regulator.

For certain types of assets in respect of which useful life is not specified in MERC Multi Year Tariff Regulations ("MYT regulations"), useful life as prescribed under Schedule-II of Companies Act, 2013 is considered.

In respect of assets (other than 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 as on 01 April, 2018.

Salvage value in respect of assets which have not been accounted at fair value has been considered at 10% except in respect of Furniture & Fixture, Vehicles, Office Equipment and Electrical Installations which has been considered at 5% and Computers & Software at Nil (Consequent to amendment in tariff regulations, the Group has changed the Salvage value of Computers from 5 % to Nil w.e.f. 01 April 2020).

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and the effect of any changes in estimate is accounted for on a prospective basis.

Estimated useful lives of assets other than assets at DTPS are as follows:-

Type of Asset	Useful lives
Building	30-60 Years
Plant and Equipment (Except Meters & Batteries)*	25-35 Years
Plant and Equipment - Meters*	10 Years
Plant and Equipment - Batteries*	10 Years
Distribution Line / Transmission Cable	35 Years
Street Light	25 Years
Furniture and Fixtures	15 Years
Office Equipment	5 Years
Computers, Servers & Related Network	3 Years
Vehicles	15 Years

* Consequent to amendment in tariff regulations, w.e.f. 12 July 2022 the Company has changed the useful life (years) in respect of Batteries (from 5 to 10), Computers (from 6 to 6/3), Furniture and Fixtures (from 10 to 15), Vehicles (from 8-10 to 15) and Roads Bridges (from 15 to 30).

2 **Intangible Assets**

Intangible assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

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 1 April, 2018, in line with the requirements of the Court Scheme, the Group has accounted for such Assets at their respective fair values as at April 01, 2018 based on valuation done by professional valuation firm.

Subsequent additions to the assets on or after 1st April, 2018 are accounted for at cost.

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 years

Consequent to amendment in tariff regulations, the Company has changed the Salvage value of Computers Software from 1 % to Nil w.e.f. 01 April 2020.

3 **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.

4 **Impairment of PPE and intangible assets**

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 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.

3.02 **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 cash management.

3.03 **Cash Flow Statement**

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.

3.04 **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 the Group 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 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 measured at fair value through profit or loss are recognised immediately in the statement of profit and loss.

3.05 **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.

1 **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.

2 **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.

3 **Financial assets at fair value through profit or loss (FVTPL)**

All financial assets that do not meet the criteria for amortised cost are measured at FVTPL.

4 **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.

5 **Derecognition**

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 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 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.

6 **Impairment of financial assets**

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

3.06 Financial liabilities and equity instruments

1 **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.

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 Group are recognised at the proceeds received, net of direct issue costs.

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 **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

3.07 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.

3.08 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.

3.09 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 the inventories to their present location and condition. Unserviceable/damaged stores and spares are identified and written down based on technical evaluation.

3.10 Business combinations and Goodwill

The Obligor 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 Obligor 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 Obligor 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.

3.11 Foreign currencies

The functional currency of the Group is Indian Rupee ₹

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except for 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.

3.12 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, option, swap contracts 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 item affects profit or loss. 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.

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.

3.13 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 Group expects to be entitled in exchange for those goods or services

1 Transmission of Power

Revenue from transmission of power is recognised net of cash discount over time for transmission of electricity. The Group as per the prevalent tariff regulations is required to recover its Annual Revenue Requirement ('ARR') comprising of expenditure on account of operations and maintenance expenses, financing costs, taxes and assured return on regulator approved equity with additional incentive for operational efficiencies.

Input method is used to recognize revenue based on the Group's efforts or inputs to the satisfaction of a performance obligation to deliver power

As per tariff regulations, the Group determines ARR and any surplus/shortfall in recovery of the same is accounted as revenue.

2 Sale of Power - Distribution

Revenue from sale of power is recognised net of cash discount over time for each unit of electricity delivered at the pre determined rate. Sales of power under Deviation settlement mechanism is recognised at variable cost.

3 Rendering of Services

Revenue from a contract to provide services is recognized 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.

4 Interest on Overdue Receivables / Delay Payment Charges

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.

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 customers or on receipt of favourable order from regulator / authorities.

5 **Sale of Traded 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.

6 **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.

7 **Interest income:**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of 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.

3.14 **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

3.15 **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.

Substantial time is defined as time required for commissioning of the assets considering industry benchmarks/MERC tariff regulations.

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 statement of profit and loss in the period in which they are incurred. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.16 **Employee benefits**

1 **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.

2 **Defined benefit plans:**

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. 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.

3 **Current and other non-current 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 current 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 non-current 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.

4 **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.

3.17 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.

3.18 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**

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 in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside statement of profit and loss 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. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2 **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.

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.

3.19 Provisions, Contingent Liabilities and Contingent Assets.

1 **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 the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised 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. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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 contract exceed the economic benefits expected to be received from the contract

2 **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.

3 **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.

3.20 Dividend distribution to equity shareholders of the Group

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.

4 Standards issued but not effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The Company does not expect this amendment to have any significant impact in its financial statements.

5 **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Group's accounting policies, management of the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

Estimation of current tax and deferred tax expense - Note 30

Estimates used for impairment of transmission license - Note 31

Assessment of lease classification in respect of long term power purchase agreement - Note 32 (I) (c)

Judgement to estimate the amount of provision required or to determine required disclosure related to litigation and claims against the Group - Note 33

Estimation of defined benefit obligation - Note 40

For the purpose of captilisation of borrowing cost, substantial time is defined as time required for commissioning of the assets considering industry benchmarks/MERC tariff regulations.

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.

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Note 6 : Property, plant and equipment (PPE)

(₹ in Millions)

Particulars	Freehold Land	Buildings - Residential	Buildings-Others	Plant and Equipment	Distribution Systems	Street Light	Railway Siding	Jetty	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Electrical Installations	Total
Gross carrying amount														
As at 1st April 2021	26,368.70	1,044.24	8,224.20	49,724.13	55,918.24	1,947.20	68.74	13.10	209.63	400.80	240.08	1,070.80	298.08	1,45,527.94
Additions	-	4.91	489.39	3,322.30	5,970.00	374.13	-	0.84	7.04	68.61	47.35	771.04	177.53	11,233.14
Disposals	-	-	0.21	202.21	-	-	-	-	1.32	7.15	2.95	6.70	3.83	224.37
Closing Gross carrying amount as on 31 March, 2022	26,368.70	1,049.15	8,713.38	52,844.22	61,888.24	2,321.33	68.74	13.94	215.35	462.26	284.48	1,835.14	471.78	1,56,536.71
Accumulated depreciation and impairment														
As at 1st April 2021	-	117.30	82725	7,814.94	5,771.68	315.55	12.51	2.39	99.34	81.33	122.85	398.53	111.61	15,675.28
Depreciation charge for the year	-	39.38	305 32	2,896.19	2,467.79	115.10	4.09	0.84	21.96	50.92	30.49	164.33	31.79	6,128.20
Eliminated on disposal of assets	-	-	0.21	126.44	-	-	-	-	1.25	3.46	2.80	6.70	3.01	143.87
Closing accumulated depreciation as on 31 March, 2022	-	156.68	1,132.36	10,584.69	8,239.47	430.65	16.60	3.23	120.05	128.79	150.54	556.16	140.39	21,659.61
Net carrying amount - 31 March, 2022	26,368.70	892.47	7,581.02	42,259.53	53,648.77	1,890.68	52.14	10.71	95.30	333.47	133.94	1,278.98	331.39	1,34,877.10
Gross carrying amount														
As at 1st April 2022	26,368.70	1,049.15	8,713.38	52,844.22	61,888.24	2,321.33	68.74	13.94	215.35	462.26	284.48	1,835.14	471.78	1,56,536.71
Additions	-	15.52	294.72	4,227.87	5,163.85	459.50	-	-	4.90	319.85	35.59	350.40	81.06	10,953.26
Disposals	-	-	0.06	220.59	-	26.80	-	-	-	22.27	0.17	32.60	4.05	306.54
Closing Gross carrying amount as on 31 March, 2023	26,368.70	1,064.67	9,008.04	56,851.50	67,052.09	2,754.03	68.74	13.94	220.25	759.84	319.90	2,152.94	548.79	1,67,183.43
Accumulated depreciation and impairment														
As at 1st April 2022	-	156.68	1,132.36	10,584.69	8,239.47	430.65	16.60	3.23	120.05	128.79	150.54	556.16	140.39	21,659.61
Depreciation charge for the year	-	50.04	311.04	3,159.05	2,770.53	130.45	4.09	0.85	11.55	32.97	37.25	432.49	43.85	6,984.16
Eliminated on disposal of assets	-	-	0.06	142.05	-	9.99	-	-	-	13.01	0.16	32.60	3.75	201.62
Closing accumulated depreciation as on 31 March, 2023	-	206.72	1,443.34	13,601.69	11,010.00	551.11	20.69	4.08	131.60	148.75	187.63	956.05	180.49	28,442.15
Net carrying amount - 31 March, 2023	26,368.70	857.95	7,564.70	43,249.81	56,042.09	2,202.92	48.05	9.86	88.65	611.09	132.27	1,196.89	368.30	1,38,741.28

Notes:

(i) Refer footnote to Note 17 for security/charges created on property, plant and equipment.

(ii) The title deeds in respect of land and certain residential properties are either in the erstwhile names of the Company viz: "Bombay Suburban Electric Supply Limited" / "Reliance Energy Limited" / "Reliance Infrastructure Limited". The Group is in process of updating the same from erstwhile Company's name to the name of the Company. Details of Immovable Properties for which title deeds are not in the name of Group are given below:

Relevant Line Item in Balancesheet	Decription of Property	Gross carrying value (₹ in Millions)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of	Property held since which date	Reason for not being held in the name of the Group
Property, Plant and Equipment	Land (Free hold)	24,774.72	BSES / Reliance Energy / Reliance Infrastructure Limited	No	28/08/2018	The title deeds in respect of land and certain residential properties are either in the erstwhile names of the Company viz: "Bombay Suburban Electric Supply Limited" / "Reliance Energy Limited" / "Reliance Infrastructure Limited". The Company is in process of updating the same from erstwhile Company's name to the name of the Company.
Property, Plant and Equipment	Building - Residental /Others	5,968.54	BSES / Reliance Energy / Reliance Infrastructure Limited	No	28/08/2018	
Right-of-Use Assets	Leasehold Land	78.84	BSES / Reliance Energy / Reliance Infrastructure Limited	No	28/08/2018	

iii) Consequent to amendment in tariff regulations w.e.f. 12th July 2022, the Company changed the useful life in respect of Batteries, Computers, Furniture & fixtures, vehicles and Roads Bridges accordingly depreciation for the year ended 31 March, 2023 is higher by Rs 57.12 crores.

Note 6 a: Right of Use

(₹ in Millions)

Particulars	Right of Use			
	Land	Building	Right of Way	Total
Gross carrying amount				
As at 1st April 2021	137.49	1,385.64	401.54	1,925.67
Additions	5,103.24	-	-	5,103.24
Derecognition	-	365.72	-	365.72
Closing Gross carrying amount as on 31 March, 2022	5,240.73	1,020.92	401.54	6,663.19
Accumulated amortisation & Impairment				
As at 1st April 2021	6.76	467.85	36.18	510.79
Amortisation charge of the year	36.29	197.42	30.18	263.89
Derecognition	-	39.41	-	39
Closing accumulated amortisation as on 31 March, 2022	43.05	625.86	66.36	735.27
Net carrying amount - 31 March, 2022	**5,197.68**	**395.06**	**335.10**	**5,927.92**
Gross carrying amount				
As at 1st April 2022	5,240.73	1,020.92	401.54	6,663.19
Additions	2.30	-	13.20	15.50
Derecognition	-	-	-	-
Closing Gross carrying amount as on 31 March, 2023	5,243.03	1,020.92	414.74	6,678.69
Accumulated amortisation & Impairment				
As at 1st April 2022	43.05	625.86	66.36	735.27
Amortisation charge of the year	64.20	138.12	31.78	234.10
Derecognition	-	-	-	-
Closing accumulated amortisation as on 31 March, 2023	107.25	763.98	98.14	969.37
Net carrying amount - 31 March, 2023	**5,135.78**	**256.94**	**316.60**	**5,709.32**

Note 6b: Intangible Assets

(₹ in Millions)

Particulars	Computer Software	Transmission License	Total
Gross carrying amount			
As at 01 April 2021	431.37	9,816.20	10,247.57
Additions	495.07	-	495.07
Disposal	-	-	-
Closing Gross carrying amount as on 31 March, 2022	926.44	9,816.20	10,742.64
Accumulated amortisation & Impairment			
As at 01 April, 2021	204.57	-	204.57
Amortisation charge for the year	156.21	-	156.21
Eliminated on disposal of assets	-	-	-
Closing accumulated amortisation as on 31 March, 2022	360.78	-	360.78
Net carrying amount - 31 March, 2022	**565.66**	**9,816.20**	**10,381.86**
Gross carrying amount			
As at 01 April 2022	926.44	9,816.20	10,742.64
Additions	300.75	-	300.75
Disposal	-	-	-
Closing Gross carrying amount as on 31 March, 2023	1,227.19	9,816.20	11,043.39
Accumulated amortisation & Impairment			
As at 01 April 2022	360.78	-	360.78
Amortisation charge for the year	268.21	-	268.21
Eliminated on disposal of assets	-	-	-
Closing accumulated amortisation as on 31 March, 2023	628.99	-	628.99
Net carrying amount - 31 March, 2023	**598.20**	**9,816.20**	**10,414.40**

Notes:

(i) The above Intangible Assets are other than internally generated Intangible Assets.

(ii) Transmission License was acquired as part of the business acquisition. The License is valid for 25 years from 16th August 2011 to 15th August 2036. The license can 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 license is considered by the Group 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.

(iii) The title deeds in respect of certain lease hold land properties are in the erstwhile names of the Company viz: "Bombay Suburban Electric Supply Limited" / "Reliance Energy Limited" / "Reliance Infrastructure Limited". The Company is in process of updating the same from erstwhile Company's name to the name of the Company.

Further during the year, the Company had entered into memorandum of understanding in name of the Company with M/s. Superheights Infraspace Private Limited (SIPL) (related party) for an amount of Rs. 5100.00 millions towards acquiring leasehold rights of land parcel at BKC, Mumbai for construction of Extra High Voltage (EHV) Substation to meet the incremental load requirement. The Company has obtained possession of the said land after giving capital advance of Rs.4310.00 Millions and commenced substantial pre-construction activities.

The leasehold land amounting to Rs. 5100.00 Millions is included in the right of use assets. The Company will enter into formal lease agreement on completion of the construction of the substation as per the applicable regulatory requirements.

(iv) Transmission License is pledged as security with the Lenders against borrowings.

Depreciation / Amortisation		For the year ended 31 March, 2023 (₹ in Millions)	For the year ended 31 March, 2022 (₹ in Millions)
Depreciation on Tangible Assets		6,984.16	6,128.20
Amortisation on Intangible Assets		268.21	156.21
Amortisation on Right of Use		234.10	263.89
	Total	7,486.47	6,548.30
Less : Transferred to Capital work in progress		(60.26)	(32.46)
		7,426.21	6,515.84

ADANI ELECTRICITY MUMBAI LIMITED
Notes to Obligor Group Special Purpose Combined financial statements
Note 5c: Capital work-in-progress
(a) Capital-work-in progress ageing schedule:

(₹ in Millions)

Particulars	Amount in CWIP for a period of				Total
	<1 year	1-2 years	2-3 years	> 3 years	
As at 31 March, 2023					
- Projects in progress	5,218.62	852.50	135.10	321.10	6,527.32
- Projects temporarily suspended	9.70	6.70	-	0.60	17.00
Total	5,228.32	859.20	135.10	321.70	6,544.32
As at 31 March, 2022					
- Projects in progress	2,367.57	309.47	86.17	369.82	3,133.03
- Projects temporarily suspended	2.15	8.73	9.45	1.48	21.81
Total	2,369.72	318.20	95.62	371.30	3,154.84

(b) capital-work-in progress, which has exceeded its cost compared to its original plan:

(₹ in Millions)

CWIP	To be completed in				Total
	<1 year	1-2 years	2-3 years	> 3 years	
As at 31 March, 2023					
- Projects in progress					
11kV Network_New Supply_FY 2019-20	2.38				2.38
- Projects temporarily suspended					
	-	-	-	-	-
Total	2.38	-	-	-	2.38
As at 31 March, 2022					
- Projects in progress					
Low Tension network projects	1.85	-	-	-	1.85
- Projects temporarily suspended					
Low Tension network projects	1.73	-	-	-	1.73
Total	3.59	-	-	-	3.59

Cost Overruns upto (+-) 10 % are envisaged by the management's original plan, and hence not considered in above table.

(c) capital-work-in progress, whose completion is overdue compared to its original plan:

(₹ in Millions)

CWIP	To be completed in				Total
	<1 year	1-2 years	2-3 years	> 3 years	
As at 31 March, 2023					
- Projects in progress					
Main Plant DPR Jobs	1.21	0.09	-	-	1.30
Other DPR Jobs	0.59	-	-	-	0.59
11kV Network Strengthening 2017-18_New Supply	16.34	-	-	-	16.34
33-22/11 kV Receiving Station Schemes (11-12)	13.76	-	-	-	13.76
11kV Network strengthening 2013-14	0.75	-	-	-	0.75
11kV Network_New Supply_FY 2019-20	2.38	-	-	-	2.38
Services New Supply (2019-20)	2.60	-	-	-	2.60
IT Network_Revamping_FY 2020-21	24.37	-	-	-	24.37
LT Mains_Improvement_FY 2020-21 & FY 2021-22	4.38	-	-	-	4.38
Receiving Station_R M Prabodhani_FY 2020-21	15.11	-	-	-	15.11
DPR - Security Automation Augmentation_FY 2021-22	2.10	-	-	-	2.10
- Projects temporarily suspended					
33-22/11 kV Receiving Station Schemes (11-12)	0.01	-	-	-	0.01
Additional Rec-Stn DPR (14-15)	0.70	-	-	-	0.70
Additional Rec-Stn DPR (15-16)	0.10	-	-	-	0.10
Total	84.39	0.09	-	-	84.48
As at 31 March, 2022					
- Projects in progress					
Main Plant DPR Jobs	2.29	-	-	-	2.29
Main Plant Non DPR Jobs	0.10	-	-	-	0.10
11KV Substation jobs	0.57	-	-	-	0.57
Receiving Station Jobs	8.16	-	-	-	8.16
Low Tension Network jobs	0.25	-	-	-	0.25
Others Non DPR Jobs	0.57	-	-	-	0.57
- Projects temporarily suspended					
Receiving Station Jobs	0.49	-	-	-	0.49
Total	12.44	-	-	-	12.44

Time Overruns due to delay in statutory approvals and right of way issues, and approved by the management's revised plan are not considered in above table.

Note 5d: Intangible assets under development aging schedule:
(a) Intangible Assets Under Development ageing schedule:

(₹ in Millions)

Particulars	Amount in CWIP for a period of				Total
	<1 year	1-2 years	2-3 years	> 3 years	
As at 31 March, 2023					
- Projects in progress	-	-	-	-	-
- Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-
As at 31 March, 2022					
- Projects in progress	-	-	-	-	-
- Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

(b) Intangible Assets Under Development, whose completion is overdue or has exceeded its cost compared to its original plan:

(₹ in Millions)

CWIP	To be completed in				Total
	<1 year	1-2 years	2-3 years	> 3 years	
As at 31 March, 2023	-	-	-	-	-
As at 31 March, 2022	-	-	-	-	-

		Face Value of ₹ unless otherwise specified	No of Shares	As at 31 March, 2023 (₹ in Millions)	As at 31 March, 2022 (₹ in Millions)
7	Investments				
7a	Non-current Investments				
	Investment in Equity Shares of Subsidiary (Unquoted) (Cost)				
	Adani Electricity Mumbai Infra Limited	10 (10)	10,000 (10,000)	0.10	0.10
	AEML SEEPZ Limited	10 (10)	10,000 (10,000)	0.10	0.10
	Investment in Government Securities at amortised cost				
	Contingency Reserve Investments (Quoted)				
	7.16% Central Government of India - 2050	100 (100)	1,87,50,000 (1,87,50,000)	2,012.19	2,017.39
	9.23% Central Government of India - 2043	100 (100)	2,20,000 (2,20,000)	28.20	28.80
	5.63% Central Government of India - 2026	100 (Nil)	30,00,000 (Nil)	295.70	-
			Total	2,336.29	2,046.39
	Aggregate Market Value of Quoted Investments			2,143.18	1,883.13
	Aggregate Carrying Value of Quoted Investments			2,336.09	2,046.19
	Aggregate Carrying Value of Unquoted Investments			0.20	0.20
	Aggregate amount of impairment in the value of investments			-	-

		Face Value of ₹ unless otherwise specified	No of Units	As at 31 March, 2023 (₹ in Millions)	As at 31 March, 2022 (₹ in Millions)
7b	Current Investments				
	Contingency Reserve Investments				
	Investment in Tresury Bills at FVTPL (Quoted)	100 (100)	25,00,000 (25,00,000)	247.55	248.44
	Investment in Mutual Funds units at FVTPL (Quoted)				
	SBI Overnight Direct Growth (NAV Rs 3,649.25 (NA))		7,37,653.15 (Nil)	2,691.88	-
	ABSL Overnight Direct Growth (NAV Rs 1,212.45 (NA))		8,99,491.49 (Nil)	1,090.58	-
	ABSL Liquid Direct Growth (NAV Rs 363.08 (NA))		100,43,309.82 (Nil)	3,646.56	-
				7,676.57	248.44
	Aggregate Carrying Value of Unquoted Investments			7,676.57	248.44
	Aggregate Market Value of Unquoted Investments			7,676.57	248.44

		Non-Current		Current	
8	Loans - At Amortised Cost	As at 31 March, 2023 (₹ in Millions)	As at 31 March, 2022 (₹ in Millions)	As at 31 March, 2023 (₹ in Millions)	As at 31 March, 2022 (₹ in Millions)
	Housing loans to employee against hypothecation of the property	168.59	198.57	29.8	34.71
	(Secured, considered good)				
	Inter Corporate Deposit given to related party	2.80	10,400.00	-	-
	(Unsecured, considered good)				
	Loans to employees	87.85	85.38	38.9	35.38
	(Unsecured, considered good)				
		259.24	10,683.95	68.70	70.09

Type of Borrowers	Amount of loan or advance in the nature of loan outstanding		Percentage to the total Loans and Advances in the nature of loans	
	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
Promotor	-	-	-	-
Director	-	-	-	-
Key Managerial Personnel	-	6.23	0.00%	0.06%
Related Party	2.80	10,400.00	0.85%	96.71%

(i) Loans to Key Managerial Personnels were not repayable on demand and had defined repayments schedule and as per the company's Employees Loan Policy
(ii) Inter Corporate Deposit given to Adani Properties Private Limited (related party) were for a period of 3 years and repayable on demand or on maturity of 3 years whichever is earlier, is repaid before maturity. Inter Corporate Deposit given to AEML Seepz Limited (related party) is for a period of 3 years and repayable on demand or on maturity of 3 years whichever is earlier.

		Non-Current		Current	
9	Other Financial Assets - At Amortised Cost	As at 31 March, 2023 (₹ in Millions)	As at 31 March, 2022 (₹ in Millions)	As at 31 March, 2023 (₹ in Millions)	As at 31 March, 2022 (₹ in Millions)
	(Unsecured, considered good unless otherwise stated)				
	Security Deposits - Unsecured				
	Considered Good	222.31	186.48	-	-
	Considered doubtful	66.30	10.48	-	-
		288.61	196.96	-	-
	Less : Provision For Doubtful Deposits	(66.30)	(10.48)	-	-
	Total	222.31	186.48	-	-
*	Fixed Deposit with Banks	6,087.38	5,163.35	-	-
#	Derivative instruments designated in hedge accounting relationship	5,533.71	1,652.48	-	-
	Unbilled Revenue	-	-	5,975.48	5,075.59
	Regulatory Assets other than Distribution	-	-	183.33	-
	Other Financial Assets	-	-	71.80	1,160.30
		11,843.40	7,002.31	6,230.61	6,235.89

Note :
* Represents deposits towards Debt Service Reserve Account (DSRA), Capex Reserve Account (CRA) and Margin money.
\# Refer footnote to Note 17 for security/charges created on hedging instruments.

		Non-Current		Current	
10	Income Tax Assets (net)	As at 31 March, 2023 (₹ In Millions)	As at 31 March 2022 (₹ in Millions)	As at 31 March, 2023 (₹ In Millions)	As at 31 March, 2022 (₹ in Millions)
	Income Tax Assets (net)	29.30	39.10	7.88	9.42
		29.30	39.10	7.88	9.42

		Non-Current		Current	
11	Other Assets	As at 31 March, 2023 (₹ In Millions)	As at 31 March, 2022 (₹ in Millions)	As at 31 March, 2023 (₹ In Millions)	As at 31 March, 2022 (₹ in Millions)
	(Unsecured, Considered good)				
	Advance to Suppliers	-	-	1,133.44	1,251.91
	Balances with Government authorities	-	-	54.55	0.47
	Prepaid Expenses	4.60	13.21	163.46	167.94
	Capital advances	537.50	685.50	-	-
	Advance to Employees	39.60	20.30	36.96	39.17
		581.70	719.01	1,388.41	1,459.49

		As at 31 March, 2023 (₹ In Millions)	As at 31 March, 2022 (₹ in Millions)
12	Inventories (Stated at lower of Cost and Net Realisable Value)		
	Fuel	397.79	1,273.95
	Fuel - In Transit	170.01	358.32
	Stores & spares	359.66	412.64
		927.46	2,044.91

Above inventories are pledged as security with the Lenders against borrowings (Refer Note No 17).

		As at 31 March, 2023 (₹ In Millions)	As at 31 March, 2022 (₹ in Millions)
13	Trade Receivables		
	(unsecured, unless stated otherwise)		
	Unsecured, considered good	4,122.71	4,858.52
	Trade Receivables which have significant increase in credit risk	399.98	-
	Credit Impaired	13.86	13.86
		4,536.55	4,872.38
	Less : Provision for doubtful Trade receivables	(13.86)	(13.86)
		4,522.69	4,858.52

Note :

(i) The Group holds security deposit in respect of trade receivables - Refer Note No 20

(ii) Above trade receivables are pledged as security with the Lenders against borrowings (Refer Note No 17).

(iii) As at 31 March, 2023 - ₹ 521.70 million (31 March 2022 : ₹ 771.50 million) is from Maharashtra State Electricity Transmission Company Limited and ˋ30.00 million (31 March 2022 : ₹ 437.00 million) is due from Municipal Corporation of Greater Mumbai which represents Company's large customer who owes more than 5% of the total balance of trade receivables.

(iv) The average credit period for the Group's receivables from its transmission and 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

(v) 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.

(vi) The Group considers for impairment its receivables from customers in its Mumbai distribution 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.

13.1 Trade Receivables ageing Schedule

Particulars	Outstanding for following periods from due date of receipt						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March, 2023							
(i) Undisputed Trade receivables – considered good	2,913.99	1,122.47	2.56	50.99		-	4,090.01
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	172.29	147.17	28.74	51.49		-	399.69
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	13.86	-	-	13.86
(iv) Disputed Trade Receivables considered good	9.24	15.46	3.18	4.82		-	32.70
(v) Disputed Trade Receivables - which have significant increase in credit risk	0.29	-	-	-		-	0.29
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-		-	-
(vii) Provision for Doubtful Debts	-	-	-	(13.86)	-	-	(13.86)
	3,095.81	1,285.10	34.48	107.30	-	-	4,522.69

Particulars	Outstanding for following periods from due date of receipt						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March, 2022							
(i) Undisputed Trade receivables – considered good	2,446.75	1,604.74	19.74	405.95	-	-	4,477.18
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	62.50	180.76	38.74	71.24	-	-	353.24
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	13.86	-	-	13.86
(iv) Disputed Trade Receivables considered good	5.98	16.65	3.63	1.44	-	-	27.70
(v) Disputed Trade Receivables - which have significant increase in credit risk	0.11	0.29	-	-	-	-	0.40
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(vii) Provision for Doubtful Debts	-	-	-	(13.86)	-	-	(13.86)
	2,515.34	1,802.44	62.11	478.63	-	-	4,858.52

13.2 Movement in the allowance for doubtful trade receivables

	As at 31 March, 2023 (₹ in Millions)	As at 31 March, 2022 (₹ in Millions)
Balance at the beginning of the year	13.86	13.86
Add/(Less) : Provision made / (Written off) during the year (net of recoveries)	-	-
Balance at the end of the year	13.86	13.86

The concentration of credit risk is very limited due to the fact that the large customers are mainly government bodies / departments and remaining customer base is large and widely dispersed and secured with security deposit.

14 Cash and Cash Equivalents - At Amortised Cost

	As at 31 March, 2023 (₹ in Millions)	As at 31 March, 2022 (₹ in Millions)
Balances with banks		
- In current accounts	565.59	645.22
- Fixed Deposits	200.03	15.93
Cash On Hand	4.28	7.99
Cheques / Drafts On Hand	140.42	90.99
Total Cash & Cash Equivalents as per Statement of Cash Flows	910.32	760.13

Reconciliation of liabilities from Financing Activities (₹ In Millions)

Particulars	As at 1st April, 2022	Cash flows		Non-cash Transaction	As at 31st March, 2023
		Proceeds	Repayment		
Non-current Borrowings (including Current Maturities of Non-current Borrowings)	1,18,646.50	-	-	10,239.74	1,28,886.24
Current Borrowings (Excluding Bank Overdraft)	-	45,067.77	(40,067.77)	-	5,000.00
Total	1,18,646.50	45,067.77	(40,067.77)	10,239.74	1,33,886.24

Reconciliation of liabilities from Financing Activities (₹ In Millions)

Particulars	As at 1st April, 2021	Cash flows		Non-cash Transaction	As at 31st March, 2022
		Proceeds	Repayment		
Non-current Borrowings (including Current Maturities of Non-current Borrowings)	1,05,780.33	22,319.80	(13,694.00)	4,240.37	1,18,646.50
Current Borrowings (Excluding Bank Overdraft)	8,833.53	15,355.31	(24,188.84)	-	-
Total	1,14,613.86	37,675.11	(37,882.84)	4,240.37	1,18,646.50

Note : Non-cash transactions represents movement in revaluation of foreign currency borrowings.

15 Bank Balance Other than Cash and Cash Equivalents - At Amortised Cost

	As at 31 March, 2023 (₹ In Millions)	As at 31 March, 2022 (₹ in Millions)
Bank Deposits with Original Maturity of more than 3 months but less than 12 months	6,224.53	6,244.81
	6,224.53	6,244.81

16 Net Shareholder's Investment

	As at 31 March, 2023 (₹ in Millions)	As at 31 March, 2022 (₹ in Millions)
Opening Balance	46,986.31	47,122.45
Profit for the year	970.94	1,240.91
Other comprehensive Expense for the year (net of tax)	(739.30)	(1,377.05)
Closing Balance	47,217.95	46,986.31

The Board of Directors of the Company in their meeting held on 26 May, 2023, have declared interim dividend of ₹ 0.85 per equity share of Rs 10 each for the financial year 2022-23 amounting to ₹ 3417.70 million.

17 Borrowings (At Amortised Cost)

	Non-current $$$		Current	
	As at 31 March, 2023 (₹ In Millions)	As at 31 March, 2022 (₹ in Millions)	As at 31 March, 2023 (₹ In Millions)	As at 31 March, 2022 (₹ in Millions)
Secured				
External Commercial Borrowings in Foreign Currency				
Senior Secured Note - 3.949%	81,586.94	75,124.04	-	-
Sustainability Linked Notes - 3.867%	24,404.09	22,461.01	-	-
Unsecured				
External Commercial Borrowings in Foreign Currency				
Shareholders Affiliated Debts - 6.365%	22,895.21	21,061.45	-	-
Total	1,28,886.24	1,18,646.50	-	-

$$$ Incudes processing fees netted of ₹ 1106.80 million (31 March 2022 - ₹ 1257.2 million)

Notes

Borrowings	Security	Terms of Repayment
Senior Secured Note - 3.949% (and related hedging instruments)	a) a first pari passu mortgage over certain Identified Immovable Properties; b) a first pari passu charge on the movable assets of the Project (both present and future); c) a first pari passu charge on all book debts, operating cash flows, receivables (excluding Past Period Regulatory Assets, monies in the Debenture Liquidity Account and the post distribution cash flows), commissions or revenues whatsoever arising out of the Project (both present and future); d) a first pari passu charge on the Accounts under the Project Accounts Deed (except the Excluded Accounts (which means the AEML PPRA Account, the Debenture Liquidity Account, each of the AEML Post Distribution Cash Flow Accounts; any accounts opened for the purpose of managing any Excluded Cash Flows; and the AEML Distributions Account)) and amounts lying to the credit of such Accounts (both present and future); e) a first pari passu assignment in relation to Transmission License and Distribution License, subject to approval from the MERC; f) a pledge over 100% of the entire paid up equity and preference share capital of the Company; g) a non-disposal undertaking over immovable properties other than certain identified immoveable properties; h) a non-disposal undertaking over the immoveable and moveable assets (including all book debts, operating cash flows, receivables, commissions or revenues whatsoever) of the Service Company (both present and future); and i) a non-disposal undertaking over 100% of the equity and preference share capital of the Service Company.	By way of bullet payment in February 2030 with an obligation to prepay the debt on occurrence of certain events. The Company can voluntarily prepay the Bond on payment of premium.
Sustainability Linked Notes - 3.87% (and related hedging . instruments)	In addition to the aforesaid, the Collateral shall also include such security interest as may be required to be created by other group entities of the Issuer in the future, and such collateral may be shared in the same manner as aforementioned with other lenders of the Company, and such future obligors. Ranking of Security	By way of bullet payment in July 2031 with an obligation to prepay the debt on occurrence of certain events. The Company can voluntarily prepay the Bond on payment of premium.
Working capital short term loan	The Collateral will be a first charge ranking pari passu among the debt security holders, without any preference or priority and shall rank pari passu with all the senior secured debt of the Company in accordance with the Senior Secured Note Documents and the Intercreditor agreement.	Working Capital Short term loan outstanding as on 31 March, 2023 are repayable with in 03 months and rate of interest ranges from 8.90% to 8.95%. As at 31 Mar'2022 there were no working
Shareholders Affiliated Debts - 6.365%	(i) First-ranking fixed charge over all its present and future right, title, benefit and interest in the Excluded Loan Accounts (ii) First-ranking floating charge over all of its present and future right, title, benefit and interest in the equity distribution account	Shareholders Affiliated Debts are repayable commencing from February 2027 through 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.

18 Trade Payables	Non-Current As at 31 March, 2023 (₹ In Millions)	Non-Current As at 31 March, 2022 (₹ in Millions)	Current As at 31 March, 2023 (₹ In Millions)	Current As at 31 March, 2022 (₹ in Millions)
(A) total outstanding dues of micro enterprises and small enterprises; and	-	-	428.76	250.73
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	327.56	322.21	15,469.79	14,631.41
	327.56	322.21	15,898.55	14,882.14

This information as required to be disclosed under Micro and Small Enterprises, to whom the Group owes dues (including interest on outstanding dues), which are outstanding as at the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the Obligor Group. This has been relied upon by the auditors.

	As at 31 March, 2023 (₹ In Millions)	As at 31 March, 2022 (₹ in Millions)
(a) the principal amount remaining unpaid to any supplier at the end of each accounting year	2,324.18	1,044.14
(b) Interest due on principal amount remaining unpaid to any supplier at the end of each accounting year	6.68	6.23
(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;	6.68	6.23
(e) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	6.68	6.23
(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.	6.68	6.23

Trade Payables ageing schedule

Particulars	Not Due	Outstanding for following periods from due date of payment* <1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March, 2023						
(a) MSME	260.72	107.95	16.70	12.70	30.70	428.77
(b) Others	9,032.80	2,682.41	1,565.00	978.90	617.50	14,876.61
(c) Disputed dues – MSME	-	-	-	-	-	-
(d) Disputed dues - Others	-	-	920.73	-	-	920.73
	9,293.52	2,790.36	2,502.43	991.60	648.20	16,226.11

Particulars	Not Due	Outstanding for following periods from due date of payment* <1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March, 2022						
(a) MSME	97.69	94.95	21.02	24.58	12.47	250.71
(b) Others	1,605.87	10,557.62	1,277.99	495.94	95.46	14,032.88
(c) Disputed dues – MSME	-	-	-	-	-	-
(d) Disputed dues - Others	-	920.75	-	-	-	920.75
	1,703.56	11,573.32	1,299.01	520.52	107.93	15,204.34

* Ageing for provisions have been considered based on transaction date.

19 Lease Liabilities	Non-Current As at 31 March, 2023 (₹ In Millions)	Non-Current As at 31 March, 2022 (₹ in Millions)	Current As at 31 March, 2023 (₹ In Millions)	Current As at 31 March, 2022 (₹ in Millions)
Lease Obligation	144.70	262.51	162.73	185.92
	144.70	262.51	162.73	185.92

20 Other Financial Liabilities (At Amortised Cost)	Non-Current As at 31 March, 2023 (₹ In Millions)	Non-Current As at 31 March, 2022 (₹ in Millions)	Current As at 31 March, 2023 (₹ In Millions)	Current As at 31 March, 2022 (₹ in Millions)
Interest accrued but not due on borrowings	-	-	1,260.40	1,139.11
Payable towards purchase of PPE				
(A) total outstanding dues of micro enterprises and small enterprises; and	-	-	1,902.11	799.56
(B) total outstanding dues of creditors other than micro enterprises and small ente	-	-	3,634.38	2,351.86
Security Deposit from Consumers	-	-	5,070.20	4,716.97
Regulatory Liabilities other than Distribution			-	29.34
Security Deposit from Customers / Vendors	-	-	140.72	152.53
Other Financial Liabilities	-	-	79.41	-
# Derivative Instruments designated in hedge accounting relationship	37.14	660.24	-	570.69
	37.14	660.24	12,087.22	9,760.08

Refer footnote to Note 17 for security/charges created on hedging instruments.

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21 Provisions

	Non-Current		Current	
	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
	(₹ in Millions)	(₹ in Millions)	(₹ in Millions)	(₹ in Millions)
Provision for Gratuity	1,524.80	1,600.91	290.69	325.68
Provision for Compensated absences	3,329.80	3,933.14	678.48	280.65
Provision for Other Employment Benefits	171.36	188.74	18.22	31.65
Total	5,025.96	5,722.79	987.39	637.98

22 Other Current Liabilities

	Non-Current		Current	
	As at 31 March, 2023	As at 31 March, 2022	As at 31 March, 2023	As at 31 March, 2022
	(₹ in Millions)	(₹ in Millions)	(₹ in Millions)	(₹ in Millions)
Deferred Revenue - Service Line Contributions from Consumers	2,656.36	2,454.62	128.99	111.17
Statutory dues payable	-	-	2,156.02	2,121.30
Advances From Customer	-	-	645.60	667.39
Other Payables	-	-	65.17	31.84
	2,656.36	2,454.62	2,995.78	2,931.70

23 Borrowings
(At Amortised Cost)

	As at 31 March, 2023	As at 31 March, 2022
	(₹ in Millions)	(₹ in Millions)
Secured loans from banks		
Working capital short term loan	5,000.00	-
	5,000.00	-

Security and Rate of Interest

(i) For Security of Working Capital Loans - (Refer Note No 17)

(ii)For working capital outstanding on 31 March, 2023, the rate of interest for Secured loans from banks ranged from 8.90% TO 8.95%. As at 31 March,2022 there are no working capital or short term loans outstanding

(iii) There are no charges or satisfaction which are to be registered with Registrar of Companies beyond the statutory period.

(iv) The Company has been sanctioned working capital from banks on the basis of security of current assets. The Company in this regard has been duly submitting with all such banks from whom such facilities are taken, the quarterly statements comprising details of said current assets viz. raw material, stores and spares, finished goods, advances for power purchases and coal, book debts (including unbilled revenue), other receivable (<90 days) and regulatory assets recoverable within 1 year reduced by relevant trade payables (i.e net of provisions, regulatory payables and other payables). The said quarterly statements are in agreement with the unaudited books of account of the Company of the respective quarters based on draft figures at the point of time of reporting and there are no material discrepancies.

24 Current Tax Liabilities

	As at 31 March, 2023	As at 31 March, 2022
	(₹ in Millions)	(₹ in Millions)
Current Tax Liabilities	-	21.30
	-	21.30

25 Revenue from Operations

	For the year ended 31 March,2023 (₹ in Millions)	For the year ended 31 March,2022 (₹ in Millions)
a) Income from Sale of Power and Transmission Charges		
Income from Sale of Power and Transmission Charges	81,259.46	66,739.38
(Less)/Add: Income to be adjusted in future tariff determination (Net)	212.59	35.94
Sub Total (a)	81,472.05	66,775.32
b) Other Operating Income		
Insurance Claim Received	0.01	25.51
Income in respect of Services rendered	484.08	420.43
Sale of Coal Rejects / Fly Ash	139.02	165.87
Street Light Maintenance Charges	1,197.33	1,417.67
Amortisation of Service Line Contribution	118.61	103.00
Miscellaneous Revenue	161.66	174.02
Sub Total (b)	2,100.71	2,306.50
c) Sale of Traded Goods		
Sale of Traded Goods	36.81	7.58
	36.81	7.58
Total	83,609.57	69,089.40

Details of Revenue from Contracts with Customers (disaggregated by type and nature of product or services)

Particulars	For the year ended 31 March,2023 (₹ in Millions)	For the year ended 31 March,2022 (₹ in Millions)
Income from Sale of Power	77,860.46	63,345.78
Income from Transmission Charges (Net)	3,611.59	3,429.54
Income in respect of Services rendered	484.08	420.43
Sale of Coal Rejects / Fly Ash	139.02	165.87
Street Light Maintainence Charges	1,197.33	1,417.67
Sale of Traded Goods	36.81	7.58
Add: Cash Discount/Rebates etc	416.52	312.85
Total Revenue as per Contracted Price	83,745.81	69,099.72

Transaction Price - Remaining Performance Obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date.

There are no aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March, 2023, other than those meeting the exclusion criteria mentioned above.

Contract Balances	For the year ended 31 March,2023 (₹ in Millions)	For the year ended 31 March,2022 (₹ in Millions)
Contract Assets		
Recoverable from Consumers		
Non-current	-	-
Current	183.33	-
Total Contract Assets	183.33	-
Contract liabilities		
Liabilities towards Consumers		
Non-current	-	-
Current	-	29.34
Total Contract Liabilities	-	29.34

Receivables		
Trade Receivables (Gross)	4,536.55	4,872.38
Unbilled Revenue for passage of time	5,975.48	5,075.59
Regulatory Assets other than Distribution	183.33	
(Less): Advance from Consumers	(645.60)	(667.39)
(Less): Allowance for Doubtful Debts	(13.86)	(13.86)
Net Receivables	10,035.90	9,266.72

Contract assets

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract Assets are transferred to receivables when the rights become unconditional.

Contract liabilites

A Contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If the constomer pays contribution before the Company trasfers goods or services to the customers, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilites are recoganised as revenue when the perforance of obligation is satisfied.

Significant changes in the contract assets and the contract liabilities balances during the year are as follows :

		For the year ended 31 March,2023 (₹ in Millions)	For the year ended 31 March,2022 (₹ in Millions)
Opening Balance			
Recoverable from consumers		-	-
Liabilities towards consumers		29.34	65.28
	A	29.34	65.28
Income to be adjusted in future tariff determination (Net)		(212.67)	(35.94)
	B	(212.67)	(35.94)
Closing Balance			
Recoverable from consumers		(183.33)	-
Liabilities towards consumers		-	29.34
	(A+B)	(183.33)	29.34

26 Other Income

	For the year ended 31 March,2023 (₹ in Millions)	For the year ended 31 March,2022 (₹ in Millions)
a) **Interest Income**		
On Financial Assets carried at Amortised Cost		
Bank Deposits	927.81	1,063.45
Overdue Trade Receivables	205.34	224.54
Contingency Reserve Fund Investment - Non Current	-	132.97
Contingency Reserve Fund Investment - Current	154.55	5.30
On Intercorporate Deposits	1,047.31	1,144.00
Other interest	293.49	514.96
Interest on Security Deposits - Lease	3.19	8.54
b) **Gain/(Loss) on Investments**		
Gain On Sale / Fair Value Of Current Investments Measured at FVTPL	47.33	11.31
c) **Other Non-operating Income**		
Bad Debts Recovery	178.92	49.53
Sale of Scrap	40.95	117.82
Rental Income	4.74	2.67
Delayed Payment Charges	354.90	229.00
Foreign Exchange Gain (net)	0.30	-
Profit / (Loss) on Sale of Assets	27.78	4.17
Incentive Received	-	14.44
Sundry creditors written back	24.38	574.11
Total	3,310.99	4,096.81

		For the year ended 31 March,2023 (₹ in Millions)	For the year ended 31 March,2022 (₹ in Millions)
27	**Employee Benefits Expenses**		
#	Salaries, Wages & Bonus	8,316.24	6,803.46
	Contribution To Gratuity	324.82	480.68
	Contribution to Provident and Other Funds	555.64	575.21
	Contribution to Superannuation Fund	77.06	77.63
	Compensated absences	177.82	420.03
	Staff Welfare Expenses	824.84	990.24
		10,276.42	9,347.25
	Less : Staff Cost Capitalised	(1,496.40)	(1,360.44)
	Total	8,780.02	7,986.81

\# Net of wage provisions no longer required written back of Rs 594.30 million (31 March 2022 : Rs 387.42 million)
A Special Voluntary Retirement Scheme (SVRS) 2023, was rolled out for employees of the Company from March 28, 2023, to April 15, 2013. Amount charged during the year towards expected payout in this regard and included above are Rs. 2,117.21 million (31 March 2022 : Rs. Nil).

			For the year ended 31 March,2023 (₹ in Millions)	For the year ended 31 March,2022 (₹ in Millions)
28	**Finance costs**			
a)	**Interest Expense**			
	Borrowings - Amortised Cost			
	Rupee Term Loans		-	17.13
$	Senior Secured Note		3,508.73	3,220.41
$	Shareholders Affiliated Debts		1,506.68	1,379.98
$	External Commercial Borrowings (Note 1 below)		-	479.90
$	Sustainability Linked Notes		1,031.28	661.19
	Working Capital Loans		714.33	444.37
	Foreign Exchange Fluctuation Gain(net)-Borrowings	(Note 3 below)	3,522.32	1,556.44
	Interest - Hedging Cost		4,307.75	4,002.41
	Others			
	Security Deposits From Consumers at amortised cost		200.28	187.14
	Interest on lease obligation		44.83	62.46
	Interest - Others		11.27	2.37
			14,847.47	12,013.80
	Less : Interest Cost Capitalised		(518.69)	(424.50)
			14,328.78	11,589.30
b)	**Other Borrowing Costs**			
	Other Finance Cost		13.79	14.46
	Total		14,342.57	11,603.76

Note :

$ In Foreign Currency.

1 Includes Rs nil (31 March 2022: Rs 284.5 million) (unamortised upfront fees) charged off on refinancing of Rupee Term Loans with Foreign Currency Debt.

2 The weighted average capitalisation rate on the Company's general borrowings is 8.76% (31 March 2022: 8.76%) per annum.

3 Including Mark to Market loss of Rs 6,561.80 Million (31 March 2022: gain of Rs 2,525.63 Million) on Derivative Instruments designated in hedge accounting relationship.

29	Other Expenses	For the year ended 31 March,2023 (₹ in Millions)	For the year ended 31 March,2022 (₹ in Millions)
	Consumption Of Stores & Spares	514.16	565.91
	Repairs & Maintenance		
	- Plant & Machinery	3,475.75	3,413.18
	- Buildings	157.53	202.18
	- Others	344.61	261.80
	Expenses in respect of Services rendered	354.89	264.52
@	Short Term Lease Rental of Land,Building,Plant & Machinery Etc	161.32	126.20
	Vehicle Hire Charges	204.80	169.68
	Rates and Taxes	114.11	194.40
	Legal & Professional Expenses	1,638.64	1,468.68
	Directors' Sitting Fees	0.83	0.84
	Bank Charges	63.69	60.41
@@	Payment to Auditors	18.71	17.46
	Communication Expenses	86.77	79.61
	Travelling & Conveyance Expenses	138.98	84.53
	Insurance Expenses	177.47	97.60
	License fees	18.17	17.38
	Security Charges	310.58	311.71
	Seminar & Training Expenses	31.58	31.72
	Software Expenses	406.02	181.49
	Provision for Doubtful Deposits	55.82	-
	Baddebt Write off (Refer Note 13.2)	152.09	183.15
	Bill Print/Collection/ Distribution	130.01	118.77
	Foreign Exchange Fluctuation Loss(net)	4.79	11.99
	Call Center Expenses	119.91	83.66
	Donations	6.00	3.00
@@@	Corporate Social Responsibility Expenses	76.50	56.86
	Electricity Expenses	4.64	5.07
	Printing & Stationery	9.58	13.76
	Advertisement & Publicity	273.12	92.57
	Water charges	52.31	36.84
	Other Miscellaneous Expenses	274.40	202.59
	Total	9,377.78	8,357.56

@ Lease Rentals inrespect of low value assets is immaterial.

@@	(i) Payment to auditors (inclusive of GST)	For the year ended 31 March,2023 (₹ in Millions)	For the year ended 31 March,2022 (₹ in Millions)
	As auditor:		
	Statutory Audit Fees	13.29	13.28
#	Other Services	2.10	1.40
	Out of Pocket Expenses	0.47	0.12
	Applicable taxes	2.85	2.66
		18.71	17.46

Excluding fees of Rs. Nil (PY Rs. 12.46 million (plus taxes 2.24 million) for services towards Sustainability linked bond issue which is netted off in borrowings for purposes of calculating Effective Interest Rate.

@@@ **(ii) Corporate Social Responsibility Expenses**

Particulars	For the year ended 31 March,2023	For the year ended 31 March,2022
(i) Amount required to be spent by the company during the year	76.20	56.50
(ii) Total of previous years shortfall amounts	(0.44)	7.20
(iii) Amount of expenditure incurred:		
(a) Construction or acquisition of any assets	-	-
(b) on purpose other than (a) above	2.30	2.83
- Donation to related party trust (not controlled by the Company)	74.20	61.31
Total amount of expenditure incurred	**76.50**	**64.14**
(iv) (Excess) / Shortfall at the end of the year	(0.74)	(0.44)
(v) Provision made towards CSR expenditure	-	-

(vi) Reason for shortfall : Nil (31 March 2022 : Nil)

(vii) Nature of CSR activities : Primary Education, Community Health and Sanitation, Sustainable Livelihood Development and Urban / Rural Infrastructure Development.

30 **Tax Expenses**

1 **Income Taxes recognised in the statement of profit & loss**

	For the year ended 31 March,2023 (₹ in Millions)	For the year ended 31 March,2022 (₹ in Millions)
Current Income Tax	278.50	484.25
Deferred Tax	812.60	1,011.80
	1,091.10	1,496.05

2 **Income Tax recognised in other comprehensive income**

	For the year ended 31 March,2023 (₹ In Millions)	For the year ended 31 March,2022 (₹ in Millions)
Current Income Tax		
-Remeasurement of Defined Benefit Plans	83.76	30.00
Total income tax recognised in other comprehensive income	83.76	30.00
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will be reclassified to statement of profit and loss	-	-
Items that will not be reclassified to statement of profit and loss	83.76	30.00
	83.76	30.00

The income tax expenses for the year can be reconciled to the accounting profit as follows:

Profit Before Tax	2,062.04	2,736.96
Income tax using the company's domestic tax rate	720.56	956.40
Tax Effect of :		
- Non deductible Expenses	28.83	20.92
- MAT credit not recognised	272.00	477.78
- Tax on other Items	69.71	40.95
Income tax expense recognised in statement of profit and loss	1,091.10	1,496.05

Notes

a The Union Cabinet on 20 November 2019 approved the proposal for introducing the Taxation Laws (Amendment) Bill, 2019 in order to replace the Ordinance, 2019. Accordingly, on 25 November 2019, the Taxation Laws (Amendment) Bill, 2019 (Bill) was introduced which received the assent of the President of India on 12 December 2019. The Taxation Laws Amendment Bill inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective 01 April, 2019 subject to certain conditions. PDSL has availed said benefit. The Company has decided not to avail the benefit provided under the above Bill, however the Company would evaluate its option in the future based on business developments.

Unrecognised unused tax credits

	For the year ended 31 March,2023 (₹ in Millions)	For the year ended 31 March,2022 (₹ in Millions)
Unrecognised Tax Credits	355.76	507.76

The expiry of unrecognised unused MAT credits is as described below:

(₹ In Millions)

	As at 31 March, 2023	As at 31 March, 2022
Within One Year	-	-
Greater than one year, less than five years	-	-
Greater than five years	2,295.84	1,940.08
No expiry date		-
Total	2,295.84	1,940.08

3 **Deferred Tax**

	For the year ended 31 March,2023 (₹ In Millions)	For the year ended 31 March,2022 (₹ in Millions)
Deferred tax Assets	14,993.43	13,353.73
Deferred tax Liabilities	17,599.53	15,147.23
Net Deferred Tax Assets / (Liabilities)	(2,606.10)	(1,793.50)

2022-23

	Opening Balance	Recognised in Profit & Loss	Closing Balance
Deferred Tax Assets in relation to			
Allowance for Doubtful Debts, Deposits, Advances and property tax payable	76.99	9.60	86.59
Provisions for employee benefits and others	2,145.80	(110.70)	2,035.10
Unabsorbed Depreciation	11,130.94	1,740.80	12,871.74
	13,353.73	1,639.70	14,993.43
Deferred Tax liabilities in relation to			
Property, Plant & Equipment and Intangible Assets	15,147.23	2,452.30	17,599.53
	15,147.23	2,452.30	17,599.53
Deferred Tax Asset/(Liability) (Net)	(1,793.50)	(812.60)	(2,606.10)

2021-22

	Opening Balance	Recognised in Profit & Loss	Closing Balance
Deferred Tax Assets in relation to			
Allowance for Doubtful Debts, Deposits and Advances	56.68	20.31	76.99
Provisions for employee benefits and others	2,018.86	126.94	2,145.80
Unabsorbed Depreciation	8,811.55	2,319.39	11,130.94
	10,887.09	2,466.64	13,353.73
Deferred Tax liabilities in relation to			
Property, Plant & Equipment and Intangible Assets	11,668.79	3,478.44	15,147.23
	11,668.79	3,478.44	15,147.23
Deferred Tax Asset/(Liability) (Net)	(781.70)	(1,011.80)	(1,793.50)

31 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 (Rs 9,816.21 million), has been tested for impairment as at 31 March, 2022 wherein, recoverable amount of the TCGU has been determined 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 9.50 % (31 March 2022: 9.10%) per annum has been used. In arriving at the recoverable amount of the TCGU , financial projections have been developed for 6 years (31 March 2022: 6 years) and thereafter in perpetuity considering a terminal growth rate of 1% (31 March 2022: 1.5%) 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 2022 - ₹ Nil) Million. 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 :

(i) Discount Rate: 9.50 % (31 March 2022: 9.10 %) 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

(ii) Capital expenditure / Capitalisation: Capital expenditure and capitalisation for 6 years (31 March 2022: 6 years) is estimated based on management projections subject to regulatory approval and thereafter Rs 5,000 million per annum (31 March 2022 Rs 5000 million per annum)

32 **Leases**

(i) **Disclosure under Ind AS 116 Leases:**

a) The following is the movement in Lease liabilities during the year ended 31st March, 2023

Particulars	As at 31 March, 2023 (₹ in Millions)	As at 31 March, 2022 (₹ in Millions)
Opening Balance	448.43	935.92
Interest on Lease Liabilities	44.83	62.46
Lease Liabilities on account of Leases entered / terminated during the year	-	(326.31)
Payments of Lease Liabilities / Other Adjustments	(185.81)	(223.64)
Closing Balance (refer note 19)	307.45	448.43

b) **Where the Company is a leassee :**
The Company has taken office premises on lease. Generally leases are renewed on mutual consent and at a prevalent market price and sub lease is restricted.

i Interest Expenses on lease liabilities amounts to Rs 44.83 millions (31 March,2022 Rs 62.46 millions)
ii The expense relating to payments not included in the measurement of the lease liability and recognised as expenses in the statemet of profit and loss during the year is as follows :

Low Value leases - Immaterial
Short-term leases - Rs 161.32 million (31 March, 2022 Rs 126.20 million)

iii Total Cash outflow for leases amounts to Rs 347.15 millions (31 March, 2022 Rs 349.86 million) during the year including cash outflow short term and low value leases.

c) 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 FY 2019-20, the Company had terminated the above PPA due to non-performance of obligations under the PPA by VIPL such termination has been upheld by MERC / Appellate Tribunal of Electricity ("ATE"). VIPL has filed an appeal before the Hon'ble Supreme Court against the said order issued by the ATE. The proceedings are ongoing with the Hon'ble Supreme Court.

33	**Contingent liabilities and Commitments**	As at 31 March, 2023 (₹ in Millions)	As at 31 March, 2022 (₹ in Millions)
(A)	**Contingent liabilities :** Claims against the Group not probable and hence not acknowledged as debts consists of : -		
(i)	Demand disputed by the Group relating to Service tax on street light maintaince, wheeling charges and cross subsidy surcharges - Refer note 3	3,535.50	3,535.50
(ii)	Claims raised by the Government authorities towards unearned income arising on alleged tranfer of certain land parcels - Refer note 3	1,276.50	1,276.50
(iii)	Way Leave fees claims disputed by the Group relating to rates charged - Refer note 3	284.30	284.30
(iv)	Property related disputes - Refer note 3	25.90	25.90
(v)	Other claims against the Group not acknowledged as debts.	21.20	21.20
(vi)	Claims raised by Vidharbha Industries Power Limited (VIPL) in respect of increase in fuel cost for the financial year ended 31 March, 2019 - Refer Note 3 and 32(i)(c)	13,812.80	13,812.80
(vii)	Demand disputed by the Company relating to Standby Charges payable - Refer Note 4	2,137.86	-
(viii)	Claims pretaining to interest in respect of certain regulatory Liabilities -Refer Note 3	-	@@
(ix)	Liability in respect of disposal of bottom Ash	-	@@
(x)	Liability in respect of termination of power purhcas lease agreement	@@	@@
		21,094.06	18,956.20

@@ Amount not determinable
Notes:
1 Amounts in respect of employee related claims/disputes, consumer related litigation, regulatory matters is not ascertainable.

2 Future cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.

3 In terms of the Share Purchase Agreement entered into by the Company, ATL with RINFRA, in the event the above matters are decided against the Company and are not recoverable from the consumers, the same would be recovered from RINFRA.

4 Appeal has been filed by the Company under Section 111 of the Electricity Act, 2003, challenging the Order dated 31 March 2023 passed by the Maharashtra Electricity Regulatory Commission directing levy of Standby charges by Maharashtra State Electricity Distribution Company Limited.

5 The above Contingent Liabilities (except interest payable on vii) to the extent pertaining to Regulated Business, which on unfavourable outcome are recoverable from consumers subject to MERC approval,

The Obligor 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.

(B) Capital Commitments :	As at 31 March, 2023 (₹ in Millions)	As at 31 March, 2022 (₹ in Millions)
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	5,519.00	6,994.86
	5,519.00	6,994.86

(ii) **Other Commitments :**

a) For procurement of Hybrid (Solar/Wind) power on long term basis, AEML has entered into a long term 25 years PPA of 700 MW with a group entity (Adani Hybrid Energy Jaisalmer Four Limited) to purchase 700 MW of Wind Solar Hybrid Renewable Power at ₹ 3.24 per unit

b) AEML has entered into a Power Purchase Agreement for procurement of Power 500 MW on Medium term basis, with a group entity (Adani Enterprises Limited) at ₹ 5.98 Per Unit.

(C) On 21 August, 2022, RINFRA has filed a Consolidated statement of arbitration claims under the Share Purchase Agreement. The Management of the Company believes that the said claims are not tenable. The Management would follow the due process laid out under the Share Purchase Agreement for dispute resolution and will respond with facts and present its own claims against RINFRA in the arbitration proceedings.

The Hon'ble Supreme Court, while hearing the case in respect of the issues between Vidarbha Industries Power Limited (VIPL), Rinfra and AEML, had been appraised that both VIPL and Rinfra have raised similar issues before the Hon'ble Supreme Court and Arbitrator respectively. Therefore, the Hon'ble Supreme Court, considering the submission made by parties, passed a direction vide order dated 22nd November 2022, to stay the Arbitration Proceedings in view of pendency of the present case.

34 Maharashtra Electricity Regulatory Commission (MERC) in its order dated 26 December 2022, subject to certain conditions and based on certain valuation principles laid down by it, has approved the transfer of certain assets to AEML SEEPZ Limited (ASL). Based on the principles laid down by MERC, ASL has filed the Petition for approval of tariff before MERC, wherein ASL had proposed to operationalize its business from 01 April, 2023. ASL has also filed the Petition for approval of switchover/ changeover protocol (for shifting of consumers from other Distribution Licensees to ASL and vice versa in SEEPZ area- Case No. 21 of 2023) before MERC. Both the Petitions are pending before MERC and accordingly, assets amounting to Rs. 417.21 crores (WDV Rs. 332.28 crores) as on 31 March 2023 are held for transfer and will be transferred upon operationalization of ASL.

35 Maharashtra Electricity Regulatory Commission ("MERC") vide its order dated 31 March, 2023, has approved the Truing -up of Annual Revenue Requirement (ARR) for FY 2019-20 to FY 2021-22, Provisional Truing -up of ARR for FY 2022-23 and ARR and Tariff for the period from 2023-24 to 2024-25 for Generation, Transmission and Distribution Business of the Company (MYT Order). Consequent to the above order, the Company has recognised net income of Rs 2,427.64 Crores (Generation & Distribution business Combined Rs 2,148.13 Crores and Transmisson Business Rs 279.51 Crores) during the quarter and for the year ended 31 March, 2023.

36 **Transaction with Struck Off Companies**

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding	Relation with the struck off company, if any, to be disclosed
As at 31 March, 2023			
Payables			
Saptagiri Electrical Engineering	Purchase of Service	0.23	Vendor
Inavit Engineering & Consulting Pvt	Purchase of Service	0.10	Vendor
Sanjyot Laser Pvt Ltd	Purchase of Service	0.08	Vendor
Receivables			
Shree Sai Seva Kripa Sra Socaiety Ltd	Sale of Power	0.09	Consumer
Shanti Sagar Realty India Private Ltd	Sale of Power	0.09	Consumer
N R Enterprises Ltd	Sale of Power	0.08	Consumer
Parekh Bldg Dev P Ltd	Sale of Power	0.06	Consumer
Comet Plast Machinery P Ltd	Sale of Power	0.06	Consumer
Others - 797 Parties < 50K	Sale of Power	1.52	Consumer
As at 31 March, 2022			
Payables			
Silent Sentinels Electrical Consultant Pvt Ltd	Purchase of Service	0.08	Vendor
Receivables			
M S Gem Printers Pvt Ltd	Sale of Power	1.33	Consumer
B B Consulting N Eng Pvt Ltd	Sale of Power	0.08	Consumer
Uday Real Tdrs Pvt.Ltd	Sale of Power	0.08	Consumer
Unilink Tel Services (I) Pvt. Ltd.	Sale of Power	0.15	Consumer
Flex Foot Wear India Pvt. Ltd.	Sale of Power	0.05	Consumer
Kool Oring & Pack Private Limited	Sale of Power	0.20	Consumer
SSV Developeres & Indian Holiday Resort Private Limited	Sale of Power	1.02	Consumer
Others - 361 Parties < 50K	Sale of Power	0.93	Consumer

37 During the quarter ended 31st March 2023, a short seller report was published in which certain allegations were made involving Adani Group Companies, including Adani Transmission Limited ("ATL") and its subsidiaries. A writ petition was filed in the matter with the Hon'ble Supreme Court ("SC"), and during hearing the Securities and Exchange Board of India ("SEBI") has represented to the SC that it is investigating the allegations made in the short seller report for any violations of the various SEBI Regulations. The SC had constituted an expert committee for assessment of the extant of regulatory framework and volatility assessment on Adani stocks, as also to investigate whether there have been contraventions and regulatory failures on minimum shareholding and related party transactions pertaining to Adani group. The expert committee, post the reporting date, issued its report on the given remit, wherein no regulatory failures are observed, while SEBI continues its investigations.

Separately, to uphold the principles of good governance, Adani Group has undertaken review of transactions (including those for ATL and its subsidiaries) with parties referred in the short seller's report including relationships amongst other matters and obtained opinions from independent law firms. These opinions confirm that ATL and its subsidiaries are in compliance with the requirements of applicable laws and regulations. Considering the matter is subjudice at Supreme Court, no additional action is considered prolific and pending outcome of the investigations as mentioned above, the financial results do not carry any adjustments

38 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) Holding Company	Adani Transmission Limited
(C) Subsidiary Company	Adani Electricity Mumbai Infra Limited AEML SEEPZ Limited
(D) Key Management Personnel:	Mr. Kandarp Patel, Managing Director & CEO Mr. Kunjal Mehta, Chief Financial Officer (w.e.f. 02.05.2022) Mr. Rakesh Tiwary, Chief Financial Officer (upto 31.03.2022) Mr. Jaldhi Shukla, Company Secretary Mr. Anil Sardana, Director Mr. Sagar Adani , Director Mr. Anil Gupta, Director (upto 02.02:2023) Mr. Shashank Sharma (w.e.f. 02.02.2023) Mr. Mehul Rupera (w.e.f. 02.02.2023) Mr. Sanjay Bhatt, Director Mr. Anupam Sawhney, Director (upto 21.10.2022) Mr. K Jairaj, Independent Director Ms. Chitra Bhatnagar, Independent Director (upto 27.10.2021) Ms. Chandra Iyengar (w.e.f 27.10.2021) Mr.Quinton Choi, Non Executive Director Mr. Kenneth McLaren, Non Executive Director
(E) Entity having significant influence	Qatar Holding LLC

(F) Enterprises over which (A) or (B) or (D) or (E) above have significant influence :
(where transactions have taken place during the year and previous year / balance outstanding)

Adani Power Limited
Adani Enterprises Limited
Adani Properties Private Limited
Karnavati Aviation Private Limited
Adani Power (Mundra) Limited (amalgamated in to Adani Power Limited w.e.f. 8 February 20;
Adani Green Energy Limited
Mundra Solar Pv Limited
Sunbourne Developers Private Limited
Adani Institute For Education & Research
AEML Infrastructure Limited
Maharashtra Eastern Grid Power Transmission Co. Limited
Adani Power Maharashtra Limited (amalgamated in to Adani Power Limited w.e.f. 8 February
Adani Total Gas Limited
Adani Hybrid Energy Jaisalmer Four Limited
Adani Foundation
Adani Hospitals Mundra Private Limited
Mumbai International Airport Limited (w.e.f 13.07.2021)
Adani Transmission (India) Limited
Superheights Infraspace Private Limited
Adani Power Rajasthan Limited (amalgamated in to Adani Power Limited w.e.f. 8 February 2C
Ahmedabad International Airport Limited
Mangaluru International Airport Limited
Adani Ports And Special Economic Zone Limited
Valuable Properties Private Limited
Adani Krishnapatnam Port Limited
Adani Petronet (Dahej) Port Limited
Adani Airport Holdings Limited
Ambuja Cements Limited
Guwahati International Airport Limited
PLR Systems Private Limited
Mundra Petrochem Limited
Dighi Port Limited
Adani New Industries Limited
Adani Sportsline Private Limited
SBSR Power Cleantech Eleven Private Limited
Adani Renewable Energy Holdiing Twelve Limited
Alpha Design Technologies Private Limited
Belvedere Gold and Country Club Private Limited

(G) Employee Benefits Funds :	AEML Gratuity Fund AEML Superannuation Fund

(₹ In Millions)

Nature of Transaction	Name of Related Party	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Inter Corporate Deposit (ICD) Given	Adani Properties Private Limited	10,000.00	-
	AEML SEEPZ Limited	430.95	-
Inter Corporate Deposit (ICD) Received Back	Adani Properties Private Limited	20,400.00	-
	AEML SEEPZ Limited	428.20	-
Interest expenses on Shareholders Affiliated Debts	Qatar Holding LLC	1,471.36	1,344.66
Interest Income on ICD (Loans)	Adani Properties Private Limited	1,047.31	1,144.00

(₹ In Millions)

Nature of Transaction	Name of Related Party	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Contribution to Employee Benefits	AEML Gratuity Fund	9.80	10.80
	AEML Superannuation Fund	77.10	77.63
Purchase of Services	Karnavati Aviation Private Limited	90.05	90.03
	Adani Power (Mundra) Limited	0.01	
	Adani Petronet (Dahej) Port Limited	40.38	-
	Mundra Solar Pv Limited	0.06	0.03
	Alpha Design Technologies Private Limited	35.37	
	Belvedere Gold and Country Club Private Limited	0.12	
	Adani Hospitals Mundra Private Limited	0.36	8.98
	Adani Enterprises Limited	977.23	980.17
Services Given	Adani Institute For Education & Research	-	0.73
Sale of Goods	Adani Transmission (India) Limited	-	0.06
Employee advance transferred Out	Adani Airport Holdings Limited	6.19	-
Employees benefits Received	Adani Enterprises Limited	1.05	-
	Adani Ports And Special Economic Zone Limited	2.39	-
	Adani Total Gas Limited	-	0.24
Employees benefits Transferred	Adani Electricity Mumbai Infra Limited	65.45	-
	Adani Airport Holdings Limited	4.40	-
	Adani Enterprises Limited	1.27	0.20
	Adani Power Rajasthan Limited	-	0.10
	Ahmedabad International Airport Limited	0.23	1.00
	Mangaluru International Airport Limited	-	0.30
	Adani Ports And Special Economic Zone Limited	-	0.10
	Valuable Properties Private Limited	-	0.30
	Adani Green Energy Limited	1.77	0.10
	Adani Power (Mundra) Limited	-	0.10
	Mumbai International Airport Limited	4.97	3.40
	Adani Krishnapatnam Port Limited	4.25	2.20
	Maharashtra Eastern Grid Power Transmission Co. Limited	-	0.40
	Adani Power Limited	-	2.70
	Ambuja Cements Limited	9.02	-
	Adani Power Maharashtra Limited	0.13	-
	Guwahati International Airport Limited	0.46	-
	Adani Petronet (Dahej) Port Limited	0.15	-
	PLR Systems Private Limited	0.34	-
	Mundra Petrochem Limited	1.13	-
	Dighi Port Limited	0.13	-
	Adani New Industries Limited	0.51	-
	Adani Sportsline Private Limited	0.94	-
Advance - Received Back	Adani Electricity Navi Mumbai Limited	-	0.50
Payment made on behalf of Group Companies	Adani Electricity Navi Mumbai Limited	0.45	0.72
	Adani Electricity Mumbai Infra Ltd	2.33	9.07
	AEML Seepz Limited	1.75	0.50
Payment made on behalf of Group Companies-Received Back	Adani Electricity Navi Mumbai Limited	0.87	0.82
	Adani Electricity Mumbai Infra Limited	0.61	13.19
Advance paid towards Purchase of property - Received back	Sunbourne Developers Private Limited	-	2,710.00
Towards acquisition of leasehold land	Superheights Infraspace Private Limited	-	5,100.00
Advance paid towards Purchase of Power	Adani Enterprises Limited	14,094.09	13,133.13
Advance paid towards Purchase of Power-Received back	Adani Enterprises Limited	-	6,072.20
Corporate Social Responsibility Contribution	Adani Foundation	74.20	61.31
Interest Income	Adani Enterprises Limited	226.94	501.20
Purchase of Coal	Adani Enterprises Limited	927.35	-
Sale of Coal	Adani Power Rajasthan Limited	38.62	-
Purchase of Power (net of discount, if any)	Adani Enterprises Limited (excluding banking transactions)	19,710.78	12,847.33
	SBSR Power Cleantech Eleven Private Limited	6.20	-
	Adani Hybrid Energy Jaisalmer Four Limited	7,088.14	938.70
Rent Paid	Mumbai International Airport Limited	11.42	10.87
EMD Deposit	Adani Total Gas Limited	1.00	-
	Adani Renewable Energy Holdiing Twelve Limited	0.38	-
Remuneration paid	Mr. Kandarp Patel	51.50	46.10
	Mr. Rakesh Tiwary	-	18.80
	Mr. Kunjal Mehta	12.80	-
Employee Loan given	Mr. Rakesh Tiwary	-	5.00
Sitting Fees	Mr. K Jairaj	0.44	0.56
	Ms. Chitra Bhatnagar	-	0.07
	Ms. Chandra Iyengar	0.38	0.21

(₹ In Millions)

Closing Balance	Name of Related Party	As at 31st March, 2023	As at 31st March, 2022
Balance Payable	Mundra Solar Pv Limited	0.96	0.96
	Karnavati Aviation Private Limited	60.46	30.01
	Adani Hybrid Energy Jaisalmer Four Limited	1,408.89	426.63
	Adani Enterprises Limited	1,696.58	3,149.58
	Superheights Infraspace Private Limited	790.00	790.00
	Mumbai International Airport Limited	5.54	3.40
	Ambuja Cements Limited	9.02	-
	Adani Power Maharashtra Limited	0.13	-
	Guwahati International Airport Limited	0.46	-
	Adani Petronet (Dahej) Port Limited	0.15	-
	PLR Systems Private Limited	0.34	-
	Mundra Petrochem Limited	1.13	-
	Dighi Port Limited	0.13	-
	Adani New Industries Limited	0.51	-
	Adani Renewable Energy Holdiing Twelve Limited	0.38	-
	Adani Sportsline Private Limited	0.94	-
	Adani Green Energy Limited	1.77	-
	Adani Airport Holdings Limited	4.40	-
	Adani Hospitals Mundra Pvt Limited	0.36	-
	SBSR Power Cleantech Eleven Private Limited	6.19	-
	Adani Power Rajasthan Limited	-	0.10
	Ahmedabad International Airport Limited	0.23	1.00
	Mangaluru International Airport Limited	-	0.30
	Adani Ports And Special Economic Zone Limited	-	0.10
	Valuable Properties Private Limited	0.58	0.30
	Adani Power (Mundra) Limited	0.26	0.10
	Alpha Design Technologies Private Limited	4.32	
	Adani Krishnapatnam Port Limited	4.25	2.20
	Adani Total Gas Limited	1.00	
	Adani Power Limited	-	2.70
	Maharashtra Eastern Grid Power Transmission Co. Limited	-	0.40
Balance Receivable	Adani Green Energy Limited	-	1.51
	Adani Properties Private Limited*	-	10,400.00
	Adani Electricity Navi Mumbai Limited	0.01	0.42
	Adani Electricity Mumbai Infra Limited	67.78	0.47
	AEML SEEPZ Limited	5.05	0.50
	Adani Ports And Special Economic Zone Limited	2.27	
Investment in Equity Shares of Subsidiary	Adani Electricity Mumbai Infra Limited	0.10	0.10
	AEML SEEPZ Limited	0.10	0.10
Employee Loan Balance Receivable	Mr. Rakesh Tiwary	-	6.19
Shareholders Affiliated Debt payable	Qatar Holding LLC	23,171.94	21,373.49
Interest accrued but not due on Shareholders Affiliated Debt	Qatar Holding LLC	577.67	532.83

* The Obligor Group has provided long-term intercorporate deposit at rates comparable to the average commercial rate of interest.

Note:
All the above transactions are executed at arm's length basis.
The above disclosure does not include transaction with / as public utility services viz, electricity, telecommunications etc. in the normal course of business.

Key Managerial Personnel are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

39 Disclosure under Ind AS 19 "Employee Benefits" :

1 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 provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner and the superannuation fund is administered by the trustees of the AEML Superannuation Scheme. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. The Group has no obligation other than the contribution to the fund.

The Group has recognised the following amounts as expense in the financial statements for the year:

(₹ In Millions)

Particulars	31st March,2023	31st March,2022
Contribution to Provident Fund	414.97	434.55
Contribution to Employees Superannuation Fund	77.06	77.63
Contribution to Employees Pension Scheme	63.72	68.29

2 Defined Benefit Plan

Gratuity

The Company operates a funded gratuity plan in the form of a Trust, governed by Trustees approinted by the Company and administered by Life Insurance corporation. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or Company scheme whichever is beneficial. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

Particulars	Gratuity for the year ended March 31, 2023	Gratuity for the year ended March 31, 2022
Starting Period	April 01, 2022	April 01, 2021
Date of Reporting	March 31, 2023	March 31, 2022
Principal Assumptions in actuarial valuation		
Rate of Discounting	7.44%	6.98%
Rate of Salary Increase	10.25%	10.25%
Rate of Employee Turnover	1.00%	1.00%
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Change in the Present Value of Defined Benefit Obligation	March 31, 2023	March 31, 2022
Present value of Benefit Obligation at the beginning of the year	6,821.18	6,497.45
Liability Transferred in	1.55	-
Liability Transferred Out	(13.80)	(11.19)
Interest Cost	476.12	445.73
Current Service Cost	371.89	368.20
Liabilities Extinguished on Settlement	(181.55)	-
Benefit Paid From the Fund	(406.01)	(295.79)
Actuarial (Gain) / Losses on Obligation- Due to Change in Financial Assumptions	(221.81)	200.58
Actuarial (Gain) / Losses on Obligation- Due to Change in Demographic Assumptions	-	127.94
Actuarial (Gain) / Losses on Obligation-Due to Experience	(286.16)	(511.74)
Present Value of Benefit Obligation at the end of the year	**6561.41**	**6,821.18**
Change in the Fair Value of Plan Assets		
Fair Value of Plan Asset at the beginning of the year	4,894.59	4,857.74
Assets Transferred Out/ Divestments	(65.45)	
Interest Income	341.64	333.25
Benefit Paid From the Fund	(406.01)	(295.79)
Contribution by the Employer	9.76	10.93
Return on Plan Assets Excluding Interest Income	(28.61)	(11.54)
Fair Value of Plan Asset at the end of the year	**4,745.92**	**4,894.59**

Amount Recognised in the Balance Sheet		
Present Value of Benefit Obligation at the end of the year	6,561.41	6,821.18
Fair Value of Plan Assets at the end of the year	4,745.92	4,894.59
Funded Status (Deficit)	**(1,815.49)**	**(1,926.59)**
Net (Liability) Recognized in the Balance Sheet	**(1,815.49)**	**(1,926.59)**
Provisions		
Current	290.69	325.68
Non-Current	1,524.80	1,600.91
Expenses Recognized in the Statement of Profit and Loss		
Current Service Cost	371.89	368.20
Net Interest Cost	134.48	112.48
(Gains)/Losses on Curtailments And Settlements	(181.55)	-
Expenses Recognised	**324.82**	**480.68**
Expenses Recognised in Other Comprehensive Income (OCI)		
Actuarial (Gains) / Losses on Obligation for the year	(508.03)	(183.23)
Return on Plan Assets Excluding Interest Income	28.61	11.54
Net Income for the year recognised in OCI	**(479.42)**	**(171.69)**
Major Categories of plan assets		
Government Securities	80.39%	81.02%
Debt and other Instruments	9.85%	10.71%
Equity Instruments	9.76%	8.27%
Total	100%	100%
Expected Contribution for next financial year	**290.69**	**325.68**
Expected Maturity Analysis of undiscounted defined Benefit Obligation is as follows		
Within one year	1,072.48	350.69
Between 2 to 5 years	1,688.79	1,742.75
Between 6 to 10 years	3,100.43	3,669.23
Beyond 10 years	6,947.57	8,034.78
The weighted average duration of the defined benefit obligation	10.00	10.00
Sensitivity Analysis		
Projected Benefit Obligation on Current Assumptions	**6,561.41**	**6,821.18**
Assumptions - Discount Rate		
Sensitivity Level	1.00%	1.00%
Impact on defined benefit obligation -in % increase	-6.69%	-7.91%
Impact on defined benefit obligation -in ₹ Million	(439.03)	(539.27)
Impact on defined benefit obligation -in % decrease	7.62%	9.03%
Impact on defined benefit obligation -in ₹ Million	500.23	616.18
Assumptions - Future Salary Increase		
Sensitivity Level	1.00%	1.00%
Impact on defined benefit obligation -in % increase	7.13%	8.49%
Impact on defined benefit obligation -in ₹ Million	467.73	579.02
Impact on defined benefit obligation -in % decrease	-6.41%	-7.60%
Impact on defined benefit obligation -in ₹ Million	(420.37)	(518.26)
Assumptions - Employee Turnover		
Sensitivity Level	1.00%	1.00%
Impact on defined benefit obligation -in % increase	-1.28%	-1.72%
Impact on defined benefit obligation -in ₹ Million	(83.67)	(117.16)
Impact on defined benefit obligation -in % decrease	1.41%	1.90%
Impact on defined benefit obligation -in ₹ Million	92.36	129.59

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

3 **Risk exposure:**

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility:

The plan liabilities are calculated using a discount rate set with reference to government bond yield. If plan assets underperform this yield, it will result in deficit. These are subject to interest rate risk. To offset the risk, the plan assets have been deployed in high grade insurer managed funds.

Inflation rate risk:

Higher than expected increase in salary and medical cost will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straight forward and depends upon the combination of salary increase, discount rate and vesting criterion.

40 Regulatory Deferral Account

	As at 31st March, 2023 (₹ in Millions)	As at 31st March, 2022 (₹ in Millions)
Regulatory Deferral Account - Liability		
Regulatory Liabilities	-	2,715.60
Regulatory Deferral Account - Assets		
Regulatory Assets	19,617.26	11,219.22
Net Regulatory Assets/(Liabilities)	19,617.26	8,503.62

Rate Regulated Activities

1 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.

2 MERC Multi Year Tariff Regulations, 2019 (MYT Regulations), is applicable for the period beginning from 1 April, 2020 to 31 March, 2024. These regulations require MERC to determine tariff in a manner wherein the Company can recover its fixed and variable costs including assured rate of return on approved equity base, from its consumers. The Company determines the Revenue, Regulatory Assets and Liabilities as per the terms and conditions specified in MYT Regulations.

3 Reconciliation of Regulatory Assets/Liabilities of distribution business as per Rate Regulated Activities is as follows:

	Particulars	As at 31st March, 2023 (₹ in Millions)	As at 31st March, 2022 (₹ in Millions)
A	Opening Regulatory Assets (Net)	8,503.62	1,678.91
	Add:		
B	Income recoverable/(reversible) from future tariff / Revenue Gap for the year		
1	For Current Year	7,728.26	6,824.71
2	Accrued in respect of earlier year consequent to MERC MTR Order^	3,385.38	-
	Total a (1 + 2)	11,113.64	6,824.71
	Less:		
C	Recovered / (refunded) during the year	-	-
D	Net Movement during the year (C - D)	11,113.64	6,824.71
E	**Closing Balance (A - E)**	19,617.26	8,503.62

^ Primarily on account of carrying cost

41 **Financial Instruments.**

1 Fair Value Measurement

(₹ in Millions)

Particulars	31 March. 2023		31 March. 2022	
	Book Value	Fair Value	Book Value	Fair Value
Financial Assets				
Investment				
- Investment in Mutual Fund at FVTPL	7,429.02	7,429.02	-	-
- Investment in Tresury Bills at FVTPL	247.55	247.55	248.40	248.40
- Government Securities	2,336.09	2,143.18	2,046.19	1,883.13
Trade Receivables	4,522.69	4,522.69	4,858.52	4,858.52
Loans Given	327.94	327.94	10,754.04	10,754.04
Cash and Cash Equivalents	910.32	910.32	760.13	760.13
Other Balances with Bank	6,224.53	6,224.53	6,244.81	6,244.81
Derivative instruments designated in hedge accounting relationship	5,533.71	5,533.71	1,652.48	1,652.48
Other Financial Assets	12,540.30	12,540.30	11,585.72	11,585.72
Total Financial Assets	40,072.15	39,879.24	38,150.29	37,987.23
Financial Liabilities				
Borrowings (Including Interest accrued & Current Maturities) - Fixed Rate	1,30,116.20	1,00,625.44	1,19,785.61	1,11,175.65
Borrowings (Including Interest accrued & Current Maturities) - Floating Rate	5,030.48	5,030.48	-	-
Lease Liability obligation	307.43	307.43	448.43	448.43
Trade Payables	16,226.11	16,226.11	15,204.35	15,204.35
Derivative instruments designated in hedge accounting relationship	37.14	37.14	1,230.93	1,230.93
Other Financial Liabilities	10,826.82	10,826.82	8,050.37	8,050.37
Total Financial Liabilities	1,62,544.18	1,33,053.42	1,44,719.69	1,36,109.73

Above excludes carrying value of investment in subsidiary accounted at cost in accordance with Ind AS 27.

The management assessed that the fair value of cash and cash equivalents, other balances with bank, trade receivables, loans, trade payables, other financial assets and liabilities approximate their carrying amounts 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 the Govt. securities, 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.

2 The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels

Level 1 :

Inputs are quoted prices (unadjusted) 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.

(₹ in Millions)

Particulars	Fair Value Hierarchy as at 31st March.2023				
	Date of Valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Asset measured at Fair Value					
FVTPL financial investments - In Mutul Funds	31 March, 2023	7,429.02	-	-	7,429.02
FVTPL financial investments - In Tresuary bills	31 March, 2023	247.55			247.55
Asset for which Fair Value are disclosed					
Amortised Cost financial investments:					
- Government Securities	31 March, 2023	2,143.18	-	-	2,143.18
Derivative instruments designated in hedge accounting relationship					
Derivative financial assets	31 March, 2023	-	5,533.71	-	5,533.71
Total		9,819.75	5,533.71	-	15,353.46
Liabilities measured at fair values					
Derivative instruments designated in hedge accounting relationship					
Derivative financial Liabilities	31 March, 2023	-	37.14	-	37.14
Liabilities for which fair values are disclosed					
Borrowings (Including Interest accrued & Current Maturities) - Fixed Rate	31 March, 2023	76,500.27	24,125.17	-	1,00,625.44
Borrowings (Including Interest accrued & Current Maturities) - Floating Rate	31 March, 2023	-	5,030.48	-	5,030.48
Total		76,500.27	29,155.65	-	1,05,655.92

(₹ in Millions)

Particulars	Date of Valuation	Fair Value Hierarchy as at 31st March,2022			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Asset measured at Fair Value					
FVTPL financial investments - In Treasury Bills	31 March, 2022	248.44	-	-	248.44
Asset for which Fair Value are disclosed					
Amortised Cost financial investments:					
- Government Securities	31 March, 2022	1,883.13	-	-	1,883.13
Derivative instruments designated in hedge accounting relationship					
Derivative financial assets	31 March, 2022	-	1,652.48	-	1,652.48
Total		2,131.57	1,652.48	-	3,784.05
Liabilities measured at fair values					
Derivative instruments designated in hedge accounting relationship					
Derivative financial Liabilities	31 March, 2022	-	1,230.93	-	1,230.93
Liabilities for which fair values are disclosed					
Borrowings (Including Interest accrued & Current Maturities) - Fixed	31 March, 2022	88,975.09	22,200.56	-	1,11,175.65
Borrowings (Including Interest accrued & Current Maturities) - Floating	31 March, 2022	-	-	-	-
Total		88,975.09	22,200.56	-	1,11,175.65

There has been no transfer between level 1 and level 2 during the period

3 Capital Management & Gearing Ratio

The Company manages its capital structure in a manner to ensure that it will be able to continue as a going concern while optimising the return to stakeholders through the appropriate debt and equity balance. The Company's capital structure is represented by equity (comprising issued capital, retained earnings and other reserves) and debt. The Company's management reviews the capital structure of the Company on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. The Company's objective is to ensure that the gearing ratio (debt equity ratio) is around 70 : 30

Gearing ratio

The gearing ratio at the end of the reporting period was as follows :

(₹ in Millions)

	As at 31st March, 2023	As at 31st March, 2022
Debt	1,35,146.68	1,19,785.61
Less : Cash & Bank Balance	13,222.23	12,168.29
Net debt	**1,21,924.45**	**1,07,617.32**
Total Capital	47,217.95	46,986.31
Capital & net debt	1,69,142.40	1,54,603.63
Net debt to Total Capital plus net debt ratio (%)^	72%	70%

^ Net debt to Total Capital plus net debt ratio (%) excluding fair valuation of foreign loan amounting to Rs, 166,310.9 million (31 March, 2022 Rs. 6,241.7 million) is 69% (31 March, 2022 68%)

(i) Debt is defined as Non-current borrowings (including current maturities) and Current borrowings.

(ii) Equity is defined as Net Shareholder's Investment.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no significant breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

4 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and 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, investment including mutual funds, trade and other receivables, and cash and cash equivalents which is derived 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 and Liquidity Risk. The Company's senior management oversees the management of these risks. It manages its exposure to these risks through the use of derivative financial instruments for hedging transactions. It uses derivative instruments such as Cross Currency Swaps, Full Currency swaps, Interest rate swaps and foreign currency Future Option contracts to manage these risks. These derivative instruments reduce the impact of both favorable and unfavorable fluctuations.

The Company's risk management activities are subject to the management, direction and control of Central 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 Central Treasury team ensures appropriate financial risk governance framework for the Company through appropriate policies & procedures and 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 is 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. All derivative contracts are executed with counterparties that are creditworthy. The outstanding derivatives are reviewed periodically to ensure that there is no inappropriate concentration of outstanding to any particular counterparty.

A. 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 currency risk. Financial instruments affected by market risk include loans and borrowings. The sensitivity analysis in interest rate and foreign currency risk sections relate to the position as at March 31, 2022 and March 31, 2023.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant as at March 31, 2022 and March 31, 2023.

I. Foreign currency risk

The Company is exposed to foreign currency risks arising from its exposure to the USD. Foreign currency risks arise from future commercial transactions and recognized assets and liabilities, when they are denominated in a currency other than Indian Rupee. Exposures on foreign currency loans are managed through the Company wide hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Company's exposure with regards to foreign currency risk is given below.

The following table shows foreign currency exposures in US Dollar on financial instruments at the end of the reporting period (Refer Note 38 (5))

Foreign Currency Exposures				
Particulars	As at 31 March, 2023		As at 31 March, 2022	
	Foreign Currency (In Millions)	₹ Million	Foreign Currency (In Millions)	₹ Million
In USD				
(i) Interest accrued but not due	14.63	1,202.04	14.66	1,111.19
(ii) Import Creditors and Acceptances	0.73	59.98	14.38	1,089.90
(iii) Bond - Senior Secured Note	1,000.00	82,170.00	1,000.00	75,792.50
(iv) Bond - Sustainability Linked	300.00	24,651.00	300.00	22,737.75
(v) Shareholders Affiliated Debts	282.00	23,171.94	282.00	21,373.49
Derivatives				
-Call Options	-	-	(582.00)	(44,111.24)
-Cross Currency Swaps	(982.00)	(80,690.94)	(400.00)	(30,317.00)
-Forward coupon	(2.00)	(164.34)	(2.26)	(171.29)
-Forward principal	-	-	(300.00)	(22,737.75)
-Coupon Only Swaps	(12.63)	(1,037.81)	(5.38)	(407.76)
-Principal Only Swaps	(600.00)	(49,302.00)	(300.00)	(22,737.75)
Total	**0.73**	**59.87**	**21.40**	**1,622.04**
In Euro				
(i) Import Creditors and Acceptances	0.03	2.68	0.01	0.86
Total	**0.03**	**2.68**	**0.01**	**0.86**

Note : During the previous year, the Company had executed 4 year cross currency swaps derivative contract of USD 300 million to hedge outstanding Sustainibility linked bond of USD 300 million which became effective from 22 July 2022 and accordingly, was not included in above figures as at 31 March 2022.

(i) Foreign currency sensitivity analysis

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant on the Company's profit before tax and pre-tax equity is as under:

(₹ in Millions)

	Effect on profit before tax and consequential impact on Equity			
	As at 31 March, 2023		As at 31 March, 2022	
	Appreciate	Depreciate	Appreciate	Depreciate
Rupee appreciate / (depreciate) by ` 1 against USD / EURO	0.76	(0.76)	21.41	(21.41)
Rupee appreciate / (depreciate) by ` 2 against USD / EURO	1.52	(1.52)	42.78	(42.78)
Rupee appreciate / (depreciate) by ` 3 against USD / EURO	2.28	(2.28)	64.23	(64.23)

Notes: 1) +/- Gain/Loss

II. Interest rate risk management

The Company is exposed to interest rate risk on short-term and medium-term floating rate borrowings and on the refinancing of fixed rate debt. The Company's policy is to borrow long term debt with fixed interest rate The short term borrowings of the Company are mainly floating rate rupee denominated working capital borrowings.

The long-term borrowings of the Company are by way of Senior Secured Notes (SSN) and Shareholder's Affiliated Debts which carry fixed rate of interest till maturity. Further during the year the Company issued the Sustainability Linked Bond (SLB) of USD 300 million through 10-year notes on July 15, 2021 under USD 2 billion Global Medium-Term Notes program (GMTN) which carry fixed rate of interest till maturity with certain Sustainability Performance Targets (SPTs), non-attainment of which will result in increase in fixed rate of interest by 0.15 per cent p.a. for SPT 1 in March 2027 and further 0.15 per cent p.a. for SPT 2 for March 2029.

(i) Interest rate sensitivity:

The sensitivity analysis below has been determined based on average outstanding exposure of borrowings during the year that have floating interest rates.

If the interest rates had been 50 basis points higher or lower and all the other variables were held constant, the effect on interest expense for the respective financial years and consequent effect on Company's profit in that financial year would have been as below:

₹ In Millions

	As at 31 March, 2023		As at 31 March, 2022*	
	50 bps increase	50 bps decrease	50 bps Increase	decrease
Interest expense on loan	51.12	51.12	45.98	(45.98)
Effect on profit / (loss) before tax	(51.12)	(51.12)	(45.98)	45.98

B. Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and other financial assets) and from its financing activities, including loans to others, deposits with banks, financial institutions & others, foreign exchange transactions and other financial assets.

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk defined in accordance with this assessment.

Credit risk on cash and bank balances is limited as the Company generally invests in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units and quoted bonds issued by government. Counterparty credit limits are reviewed by the Company's management on a regular basis. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

	As at 31 March, 2023 (₹ in Millions)	As at 31 March, 2022 (₹ in Millions)
Trade receivables	4,522.69	4,858.52
Loans	327.94	10,754.04
Other financial assets	18,074.01	13,238.20
Total	22,924.64	28,850.76

Refer Note 13 for credit risk and other information in respect of trade receivables. Moreover, given the diverse nature of the consumer profile of the Company, trade receivables are spread over a number of customers with no significant concentration of credit risk. No single customer accounted for 10.0% or more of revenue basis in any of the years presented. The history of trade receivables shows a negligible provision for bad and doubtful debts compared to the volume/value of sales recorded. Other receivables as stated above are due from the parties / banks under normal course of the business having sound credit worthiness, and as such the Company believes exposure to credit risk to be minimal.

The Company has not acquired any credit impaired asset.

C. Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

(₹ in Millions)

Contractual Maturities of Financial liabilities	Less than 1 year	1 to 5 years	More than 5	Total
As at 31 March, 2023				
Borrowings**	12,002.50	22,968.30	1,42,467.04	1,77,437.84
Trade Payables	15,898.55	-	327.56	16,226.11
Lease Liabilities	162.73	119.20	25.50	307.43
Other Financial Liabilities	10,826.82	37.14	-	10,863.96
Total	38,890.60	23,124.64	1,42,820.10	2,04,835.34
As at 31 March, 2022				
Borrowings**	6,371.81	20,931.00	1,36,253.00	1,63,555.81
Trade Payables	14,882.14	-	322.21	15,204.35
Lease Liabilities	185.92	227.51	35.00	448.43
Other Financial Liabilities	8,620.97	660.24	-	9,281.21
Total	30,060.84	21,818.75	1,36,610.21	1,88,489.80

** The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will be paid on those liabilities upto the maturity of the instruments, ignoring the call and refinancing options available with the Company. The amounts included above for variable interest rate instruments for non-derivative liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

5 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, 2023 and March 31, 2022.

The fair value of the Company's derivative positions recorded under derivative financial assets and derivative financial liabilities are as follows :-

(₹ in Millions)

Derivative Financials Instruments	As at 31 March, 2023		As at 31 March, 2022	
	Assets	Liabilities	Assets	Liabilities
Current				
Cashflow hedge*				
-Call Options	-	-	581.00	687.59
-Cross Currency Swaps	3,679.61	36.04	473.88	217.40
-Forward	-	1.10	-	325.90
-Coupon Only Swaps	144.50	-	-57.90	-
-Principal Only Swaps	1,709.60	-	655.48	-
Total	5,533.71	37.14	1,652.46	1,230.89

* Refer statement of profit and loss and statement of changes in equity for the changes in the fair value of cashflow hedges

Derivative Contracts entered into by the company and outstanding as at Balance Sheet date :

To hedge Currency risks and interest related risks, the company has entered into various derivative Contracts. The category wise break-up of the amount outstanding as at Balance Sheet date is given below :-

Particulars	As at 31 March, 2023			As at 31 March, 2022		
	Foreign Currency (In Millions)	₹ Million	Purpose	Foreign Currency (In Millions)	₹ Million	Purpose
In USD						
-Call Options	-	-		582.00	44,111.24	Hedging of foreign currency borrowing principal
-Cross Currency Swaps*	982.00	80,690.94	Hedging of foreign currency borrowing principal & interest liability	700.00	53,054.75	Hedging of foreign currency borrowing principal & interest liability
-Forward	2.00	164.34	Hedging of foreign currency borrowing interest liability	305.80	23,177.35	Hedging of foreign currency borrowing principal & interest liability
-Coupon Only Swaps	600.00	49,302.00	Hedging of foreign currency borrowing interest liability	600.00	45,475.50	Hedging of foreign currency borrowing interest liability
-Principal Only Swaps	600.00	49,302.00	Hedging of foreign currency borrowing principal liability	300.00	22,737.75	Hedging of foreign currency borrowing principal liability
Total	2,184.00	1,79,459.28		2,487.80	1,88,556.59	

* During the previous year, the Company had executed 4 year cross currency swaps derivative contract of USD 300 million to hedge outstanding Sustainibility linked bond of USD 300 million which became effective from 22 July 2022 and accordingly, was not included in above figures as at 31 March 2022.

42 The chief operating decision maker evaluates the Obligor Group's performance and applies the resources to whole of the Obligor Group business viz. "Generation, Transmission and Distribution of Power" as an integrated utility. Hence the Obligor Group does not have any reportable segment as per Ind AS- 108 "Operating Segments"

43 **Significant Events after the Reporting Period**

There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

Apendix 4 - Annual Assurance Report on GHG Emission intensity and Renewable Power mix (RPM) for twelwe months ended on March 31, 2023

DNV

Independent Verification statement: Performance against Sustainability performance Targets

Introduction

DNV Business Assurance India Pvt Ltd (DNV) has been commissioned by the management of Adani Electricity Mumbai ltd. ('the company' or 'AEML', with corporate identification number: U74999GJ2008PLC107256) to carry out an independent verification of the performance against the following Key Performance Indicators (KPIs) and sustainability performance Targets (SPTs) taken by the company under its Sustainability Linked Bond (SLB) framework issued related to integrated power utility business in Mumbai, India and disclosed AEML's GHG emissions in GHG report FY 2022-23 (scope 1 and scope 2) and Renewable Power share report 2022-23, for the period from 1st April 2022 – 31st March 2023.

Key performance Indicators (KPIs) and Sustainability performance Targets (SPTs):

KPI 1: Increase in renewable power mix in the overall power purchase mix with following targets:

SPT 1: Attain at least 60% of renewable power procurement mix by the end of FY 2027

KPI 2: Reduction in GHG emission intensity (Scope 1 and Scope 2) with the following targets:

SPT 2: Reduce GHG emission intensity (scope 1 and scope 2) by 60% by the end of FY 2029 compared with baseline of FY 2019

Responsibility of Management of AEML and DNV

AEML is responsible for the collection, analysis, aggregation of data and assumptions required for reporting performance against the above KPIs during the current reporting period i.e., FY 2022-23. While performing our external review, DNV's responsibility is limited to planning and performing the engagement to provide limited level of verification and forming an independent conclusion on whether the disclosure of performance level of above KPIs is free of material misstatement and meets the disclosure requirements. DNV's responsibility is to the management of the company and in accordance with terms agreed with the Company.

DNV disclaims any liability or co-responsibility for any decision a person or entity would make based on this verification statement. The verification was carried out during the period May-June 2023 by a team of qualified sustainability and GHG assessors.

Scope, Boundary and limitations of Verification

The scope of work agreed with Company includes the following:

- Verification of Scope 1 emissions covering:
  - Fossil fuels used in stationery and mobile equipment; fossil fuel used for electricity generation and releases of SF_6 and refrigerant gases used in equipment
- Verification of Scope 2 emissions covering:
  - Purchased electricity from grid to meet the auxiliary power requirement in generation, transmission & distribution assets owned by AEML and any related losses.
- Verification of GHG emission (CO_2) intensity – Scope 1 and Scope 2 emission intensity based on verified GHG emissions and financial audited EBIDTA figures of AEML for the reporting period FY 2022-23.
- Verification of renewable energy share in the total energy procured by AEML during the current reporting period and assessing the performance against the KPI 1 as compared to base year.

Boundary of Verification:

Operational boundary for verification has been selected based on the "operational control" criteria and includes its Integrated power Utility business for power distribution to consumers in Mumbai, Maharashtra.

Limitations to the scope of work:

We did not come across any limitations to the agreed scope of work. The reported data on financial performance and EBIDTA numbers within the report for respective period are based on the audited financial statements which have been subject to separate independent statutory audit process and is not included in DNV's scope of work.

Verification methodology:

DNV has conducted limited level of verification using DNV customized verification methodology as per DNV Verisustain™ which covers the principles of international assurance best practices, including ISAE 3000 (revised). A customized engagement was carried out covering the principles of completeness, accuracy and reliability, while adopting a risk-based approach towards selection of samples for assessing the robustness of underlying data management system, information flow and controls. DNV carried out following activities:

- Desk review of company's GHG reports for FY 2022-23, AEML Generation site GHG report – FY 2022-23 – Adani Dahanu Thermal Power Station, AEML Transmission & Distribution sites GHG report – FY 2022-23 at DDLO and BKC Office
- Assessment of AEML's data management system, collection, aggregation, reporting system, quality check system, recording system
- Onsite assessment of following sampled sites carried out for generation and Transmission & Distribution sites as below:
    - Generation site – Adani Dahanu Thermal Power Station
    - Transmission & Distribution sites – Mumbai sites located at Magathane, Versova & Kandivali

  During the site visit, DNV team verified the identified emission sources, activity data and also, verified the evidence for sampled disclosures.

- Sample based review of the system in place for collection of data pertaining to Power procured and GHG emissions, including the emission factors and calculation methodologies.
- Interaction with key managers and data owners to review data consolidation systems of the company and sampled operational plants.
- Review of performance against the SPT-1 and SPT-2 as agreed with the AEML team.

Conclusion

Based on the verification methodology and scope of work agreed upon, nothing has come to our attention to believe that "Renewable Power mix in the total energy procured by AEML" (SPT-1) and GHG emission (CO2) intensity (SPT-2) as brought out in the table below are not materially correct and is not a fair representation of the performance of KPIs taken by Company for current reporting period FY-2022-23. Minor data inaccuracies were observed during the verification process and the same is attributed to transcription, interpretation and/or aggregation errors. All such errors have been communicated and corrected.

Renewable power mix Purchased Electricity (KPI-1):

Description	Unit	FY 2018-19 [3]	FY 2022-23
Renewable energy procured from eligible renewable sources [1]	Million (Mus)	280.73	3,002.41

Energy procured from sources "Other than Renewable" [2]	Million (Mus)	9,032.91	6,993.10
Total Energy procured	Million (Mus)	9,313.64	9,995.51
% of electricity procured from renewable sources		3.01%	30.04%

Notes:

1. Eligible Renewable Energy sources are considered as per 'Renewable Purchase Obligation, its Compliance and Implementation of Renewable Energy Certificate Framework Regulations, 2019' issued by Maharashtra Electricity Regulatory Commission (the "Regulation") which means renewable sources such as mini hydro, micro hydro, small hydro, wind, Solar, biomass including bagasse, bio fuel cogeneration, urban or municipal waste and such other sources as are recognized or approved by Ministry of Power and Ministry of New and Renewable Energy, Government of India.

2. This includes utilization of 3,268.16 Mus in FY 2018-19 and 3,153.84 Mus in FY 2022-23 through embedded captive generation as per power purchase arrangement for the years ended on March 31,2019 and March 31, 2023.
3. The FY 2018-19 (Baseline year) numbers are referred from assured numbers reported by AEML.

GHG emissions (Scope 1 and Scope 2) Summary

Scope	Emission source	Total GHG emissions (FY 2022-23)
Scope 1	Fossil fuels (Coal, diesel, Petrol, LDO, LPG) used in stationery and mobile equipment, coal used in electricity generation process, SF6 & refrigerants used in operations & maintenance activities and CO_2 emissions from fire extinguishers	28,24,704.04
Scope 2	Emissions arising from consumption of purchased electricity towards auxiliary power consumed in generation, transmission & distribution assets owned by AEML and Transmission & Distribution losses incurred	4,85,455.43

GHG emission Intensity (KPI -2)

Parameter	Boundary of emission within the company	FY 2018-19	FY 2022-23
GHG tCO_2 e	AEML – Scope 1 and scope 2 emissions	3,750,069	33,10,159.5
EBITDA in INR – in crore	AEML	1,664	2,381
Emissions intensity (t CO2 e/EBITDA in INR in crore)		2,254	1,390.24

Notes:

1. *The reported data on EBITDA of AEML within the report are based on audited financial statements of respective year*
2. *1 Crore = INR 100,00,000*
3. *The FY 2018-19 (baseline year) numbers are based on assured numbers reported by AEML.*

Without affecting our assurance opinion, we also provide the following observations evaluating the Report's adherence to the Reporting Principles of the GRI Standards and principles of AA1000AS:

Principles of the AA1000 Accountability Principles Standard (2018)

Inclusivity

AEML consulted key internal and external stakeholders which have been identified as significant by AEML for disclosures w.r.t their performance against the KPIs defined. Company procedures defines the modes and frequencies of engagement with stakeholders towards identifying their key priority areas.

Nothing has come to our attention to suggest that the company's systems does not meet the requirements related to the Principle of Inclusivity.

Materiality

AEML has defined the key issues material to its ability to create value in its disclosures. The key issues are all in context of the KPIs defined and these issues are monitored on regular basis.

Nothing has come to our attention to suggest that the company's system of considering the key issues impacting the KPI performance, does not meet the requirements related to the Principle of Materiality.

Responsiveness

The company's internal procedures and policies adequately brings out strategies, management systems and governance mechanisms to respond to issues identified as material and significant w.r.t stakeholders (internal or external). Nothing has come to our attention to suggest that the company's system does not meet the requirements related to the Principle of Responsiveness.

Impact

The level to which an organization monitors, measures and is accountable for how its actions affect its broader ecosystems.

The company's system brings out the key performance metrics, surveys and management processes used by AEML to monitor, measure and evaluate its significant direct and indirect impacts.

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

Specific Evaluation of the Information on KPI Performance

We consider the methodology and the process for gathering information developed by AEML for its SLB KPIs performance reporting to be appropriate, and quantitative data included in the bespoke performance reporting spreadsheets was found to be identifiable and traceable; the personnel responsible were able to demonstrate the origin and interpretation of the data and its reliability.

Reliability

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

Company's reporting system for SLB KPI performance is well established traceable to source of information. During the sample verification, some data inaccuracies were identified and were found to be attributable to transcription, interpretation and aggregation errors, and these errors have been communicated and corrected.

Nothing has come to our attention to suggest that the Reported information on SLB KPI performance does not meet the requirements related to the Principle of Reliability.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct[1] during the assurance engagement and maintain independence as required by relevant ethical requirements including the DNV's Verisustain™. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any statements or data included in the Report except for this verification Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process.

For DNV Business Assurance India Pvt. Ltd.

Sharma, Anjana — Digitally signed by Sharma, Anjana Date: 2023.07.11 08:54:48 +05'30'	Chaudhari, Tushar — Digitally signed by Chaudhari, Tushar Date: 2023.07.11 10:04:14 +05'30'
DNV Audit team	**Assurance Reviewer**
Anjana Sharma Lead Verifier/Project Manager Sustainability Services, DNV Assurance India Private Limited, India	Tushar Chaudhari Assurance Reviewer, DNV Business Assurance India Private Limited, India
Ankita Parab Verifier	

11 July 2023, Mumbai, India.

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[1] *The DNV Code of Conduct is available on request from* www.dnv.com