Covenant Compliance Certificate

March 31, 2021

Adani Transmission USPP Pool
(Restricted Group)

Contents

1. Executive Summary

1.1 Evolution of Adani Transmission Limited ("ATL")

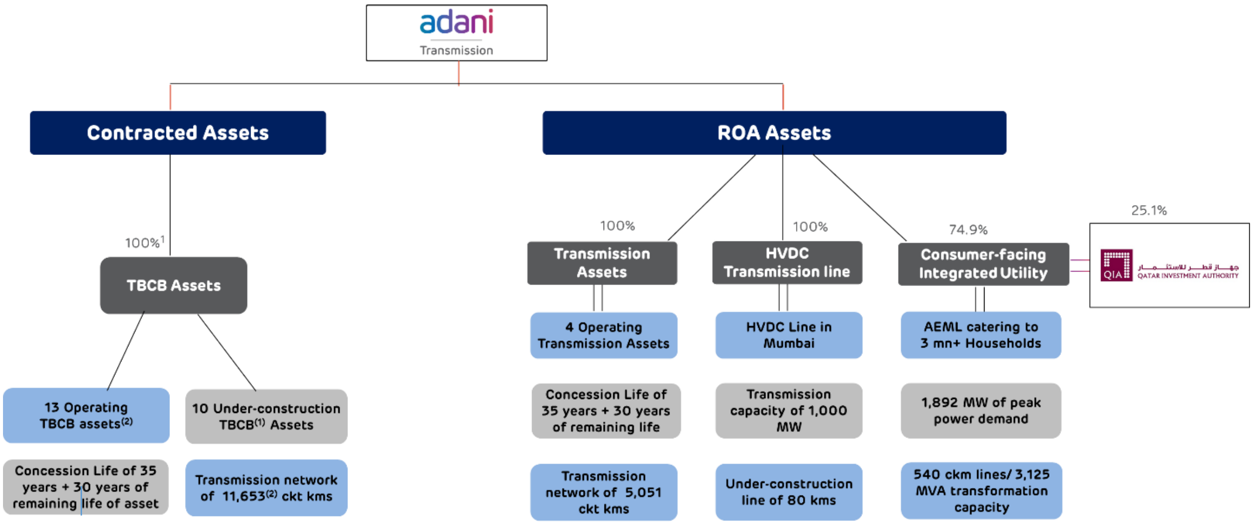
Adani Transmission Limited ("ATL" or "Company") is in the business of developing and operating Transmission and Distribution business housed under various subsidiaries. ATL is the country's largest private transmission company with a cumulative transmission network of ~17,200 ckt km, out of which ~12,350 ckt km is operational and ~4,850 ckt km is at various stages of construction. ATL through its subsidiary also operates a distribution business serving about 3 million+ customers in Mumbai. With India's energy requirement set to quadruple in coming years, ATL is fully geared to create a strong and reliable power transmission network and work actively towards serving retail customers and achieving 'Power for All' by 2022 and continue to be the largest private sector Transmission and Distribution player in India.

The transmission networks are consistently operating at more than 99.75% availability (FY21 – 99.87%). Our power transmission business in India focuses on the execution of new transmission systems under licensing from central and state electricity bodies, and Operations and Maintenance (O&M) of existing assets through outsourced partners.

In FY19, ATL forayed into the retail electricity distribution space with the acquisition of Mumbai's Power Generation, Transmission and Distribution (GTD) business license. Today, Adani Electricity Mumbai Limited (AEML) caters to over 3 Million+ customers in the Mumbai suburbs and Mira-Bhayander Municipal Corporation in the Thane district with a distribution network spanning over 400 Sq. km. The distribution business maintained supply reliability at 99.99% along with collection efficiency in Distribution business was more than 100%.

We are poised to tap the vast potential for power evacuation in India and have set an ambitious target of operating 20,000 ckt km of transmission lines by 2022. Aligned with our business focus, we have developed the expertise in our people to create modern transmission assets for the nation, backed by efficient O&M support. Overall ESG framework is embedded as core business objective and committed to sustainable value-creation for all stakeholders coupled with strong governance and disclosures framework.

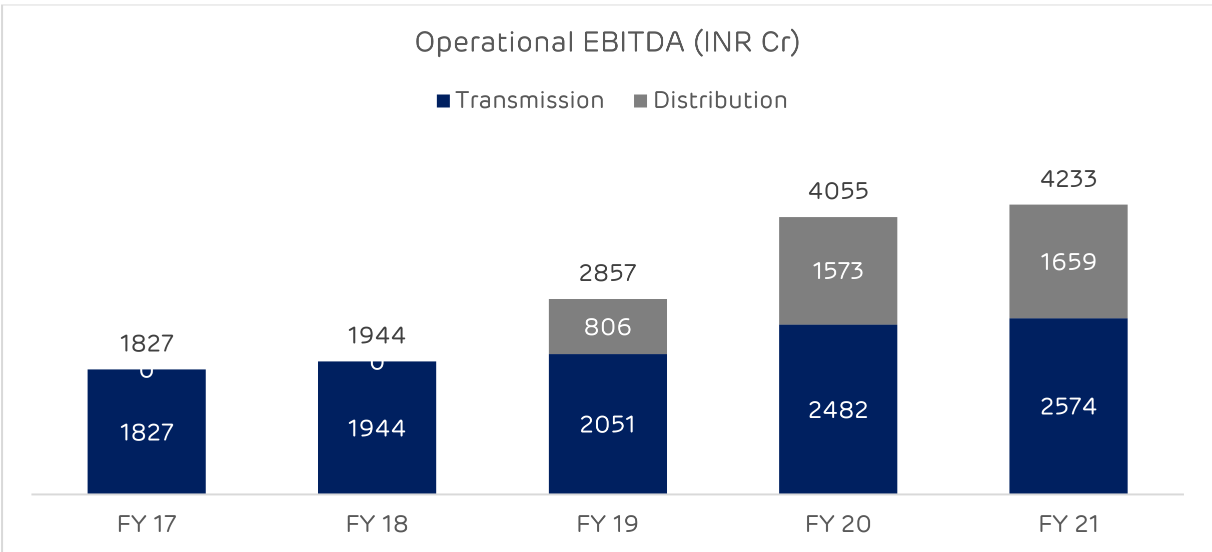
ATL business model:



Notes: 1)% denotes shareholding; 2) TBCB: Tariff based competitive bidding; 3) Network includes operational, under construction as of 31 st December 2020

ATL's Growth Story:

During this rapid growth phase, the financial metrices has always been in the disciplined level . ATL, from its inception stage has been maintaining a high EBITDA performance with more than 90% margin in Transmission Business and more than 21% margin in Distribution business. ATL achieved 2.3x EBITDA growth in 5 years with world class margin.



Financial Discipline:

In-spite of the high growth over past few years, ATL has managed to reduce the Development and Capex risk with High Credit Discipline and no Equity Dilution.

ATL has significantly lowered its risk profile and has achieved following in the past 5 years:

- Robust growth pipeline through organic and in organic route
- Consistently maintained investment grade rating since 2016 and commitment to maintain investment grade rating going forward.
- 2% of total debt profile with short term maturity (<1 year)
- Fully tied up capex program for long term growth

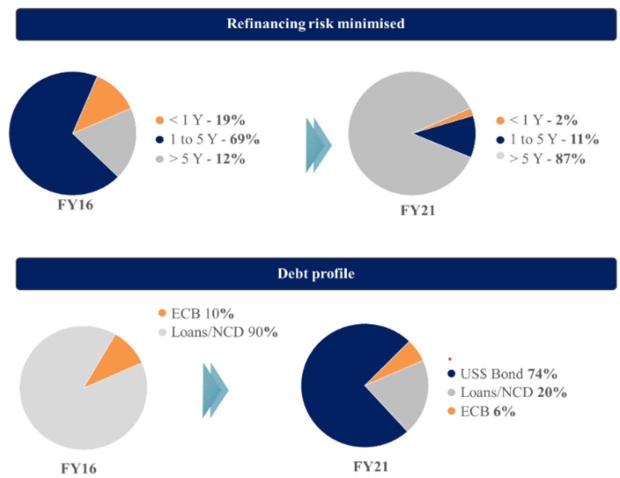
ATL's Capital Management Program:

Aligned with Adani group's philosophy of aligning tenor of Debt with the life of assets, ATL's Capital Management plan brings diversity and elongated maturity to firm's debt profile.

ATL has significantly lowered its risk profile and has achieved following in the past 5 years:

- Robust growth pipeline through organic and in organic route
- Consistently maintained investment grade rating since 2016 and commitment to maintain investment grade rating going forward.
- 2% of total debt profile with short term maturity (<1 year)
- Fully tied up capex program for long term growth

	As of 31st Mar 16	As of 31st Mar 21
Consolidated Net Debt	Rs. 85 bn	Rs. 194 bn
Cost of Debt (weighted) %	10.9%	9.2%
Average debt maturity for LT debt	5.8 years	9.8 years
Net Debt to EBITDA (x)	4.6x	4.7x
International Ratings	BBB-/Baa3	BBB-/Baa3



Notes: 1) Debt excludes perpetual equity and shareholder affiliate debt (sub debt).

Sustainability:

The integrated ESG framework of ATL has resulted in access to larger pool of capital at reduced cost resulting into a value accretive returns to the stakeholders. Few recent Initiatives taken are:

- ATL became signatory to India Business Biodiversity Initiative (IBBI) focused on sustainability inclusion into businesses
- Achieved 'Single Use Plastic Free' Certification from CII for three sub-stations which will be replicated across sub-stations.
- Reduce Carbon Footprint: Distribution Arm of ATL, i.e. AEML has signed 700 MW of hybrid PPA which will increase share of renewable power procurement from current **3% to 30% till FY 2023 and 50% till FY 2025.**
- All Board committees at listed co. and subsidiary level to have independent directors

Recent Development :

Regulatory Support in COVID-19 period for under construction entities:

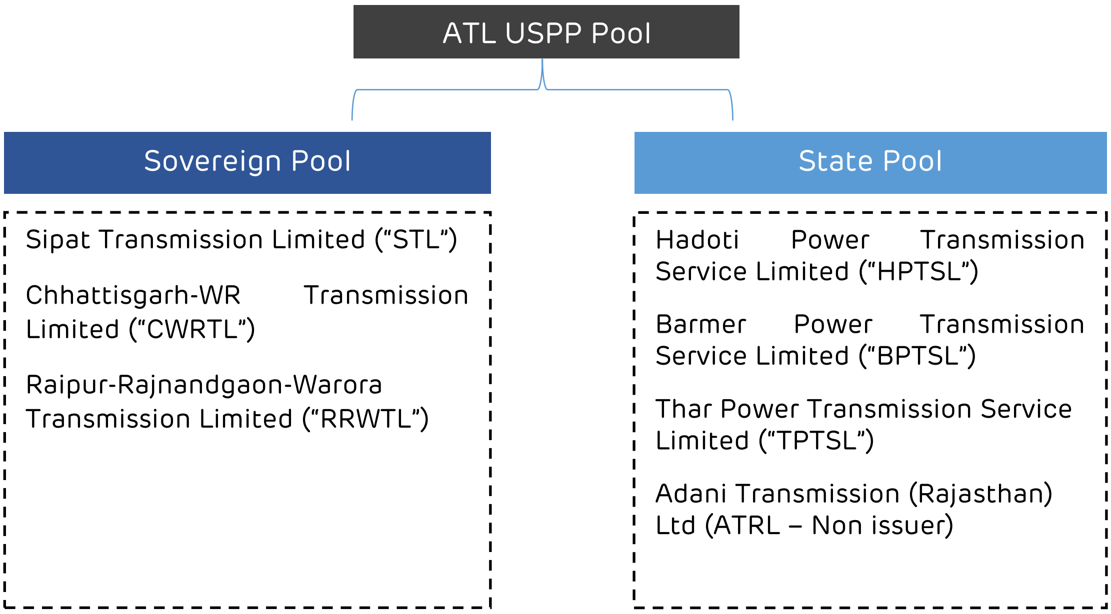
As per recent circular by the Ministry of Power dated 27th July'20, central projects which were under construction phase as on 25th March'20 shall get an extension of five months in SCOD thus no cost and time overruns risk.

Business updates:

- Adani Transmission Limited (ATL) has acquired Alipurduar Transmission Limited in July 2020. Alipurduar Transmission Ltd. operates transmission lines aggregating to around 650 ckt kms in West Bengal and Bihar.
- On March 27, 2021 Adani Transmission Limited (ATL) has acquired Warora-Kurnool Transmission Limited (WKTL). WKTL will develop, operate and maintain transmission system aggregating to ~1,750 ckt km in Maharashtra, Telangana and Andhra Pradesh and a 765/400 kV substation at Warangal.

1.2 ATL USPP Assets:

The pool of USPP assets comprises of 7 operating companies which are subsidiaries of ATL. The pool is a mix of the assets having Sovereign equivalent counterparties and state counterparties (Rajasthan).
The assets are located in the state of Maharashtra, Madhya Pradesh, Chhattisgarh and Rajasthan.



1.2.1 Operation and Business Continuity:

In this unprecedented time of COVID-19, we have been successful in delivering strong and consistent operational performance.

Operating Performance:

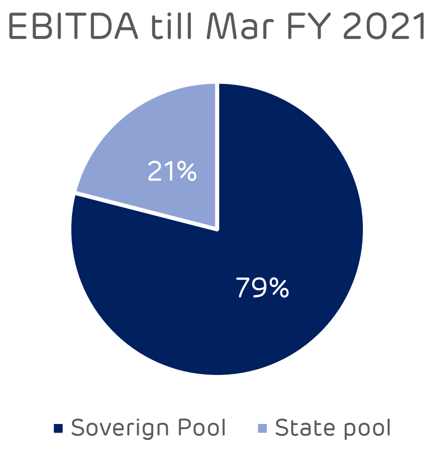
- Strong operating performance despite the COVID Conditions.
- Average Availability for all the asset in FY 21 remained above ~ 99.8%.
- Eligible for **incentive income** for maintaining higher availability over normative availability of 98% as per TSA.

The overall financial performance of the pool had been in line with our projected numbers.

The aggregated EBITDA for the period ended Mar-21 was at **INR 6,175 Mn** (against projected EBITDA of INR 6,091 Mn)

It has maintained Strong EBITDA Margin of 95.33% on aggregated basis (against projected 93.62%)

Receivable position have improved post lock-down period and started stabilising from Q2 FY 21.



1.3 Other steps taken by Management in view of COVID:

Although the lock down across the country have withdrawn however looking at the spread of COVID situation, management continued to take following measures towards safety of our stakeholders and continuity of our business:

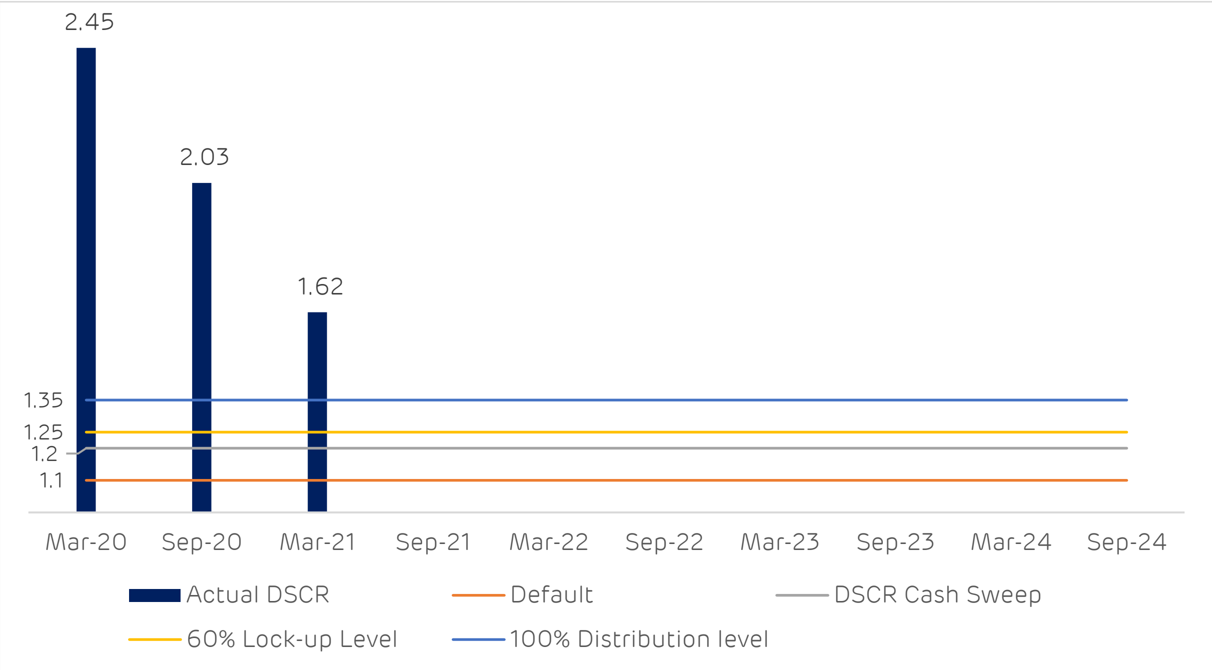
- Travel advisories strictly being adhered and IT & Technology enablement measures are in place to facilitate remote working & seamless connectivity
- **Regularly issuing updates on preventive measures &** guidelines communication to employees. Area-wise co-ordinates of medical team released for employees
- Virtual meetings to ensure safety and wellbeing of employees.
- **Hygiene, sanitization of workplaces** & sites ensured, and 100% thermal scanning has been enabled
- Working closely with our associates & service partners through digital means to ensure continuity of their services
- Encouraging employees for early vaccination.

Being a power transmitter we are, ensuring safety and also safeguarding health and hygiene of staff; we have been maintaining business continuity nearly 100% availability of assets and network.

1.4 Summary of Key Covenants:

Sr no	Particulars	Details	Min. required Ratio	Mar-21- Actual	Sep-20 - Actual	Mar-20 Actual
1	Debt Service Cover Ratio (DSCR)	Ann :B	1.1x	1.62x	2.03x	2.45x
2	EBITDA from Operating Person (Operating SPVs)	Ann :C	95%	100%	100%	100%
3	EBITDA from Sovereign Equivalent Counterparty	Ann :C	70%	79%	79%	78%
4	Fund from Operation to Net Debt Ratio (FFO/Net Debt)	Ann :D	7%	14.81%	11.90%	7.36%
5	Project Life Cover Ratio (PLCR)	Ann :E	1.5x	1.73x	1.76x	1.74x

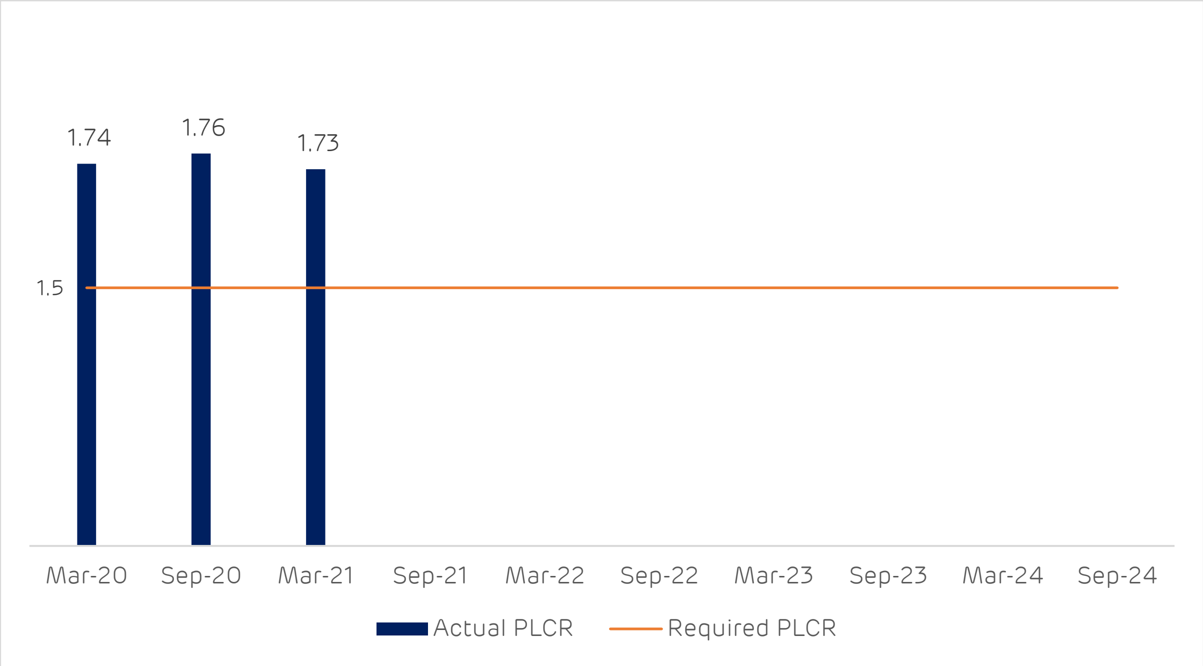
1. DSCR:



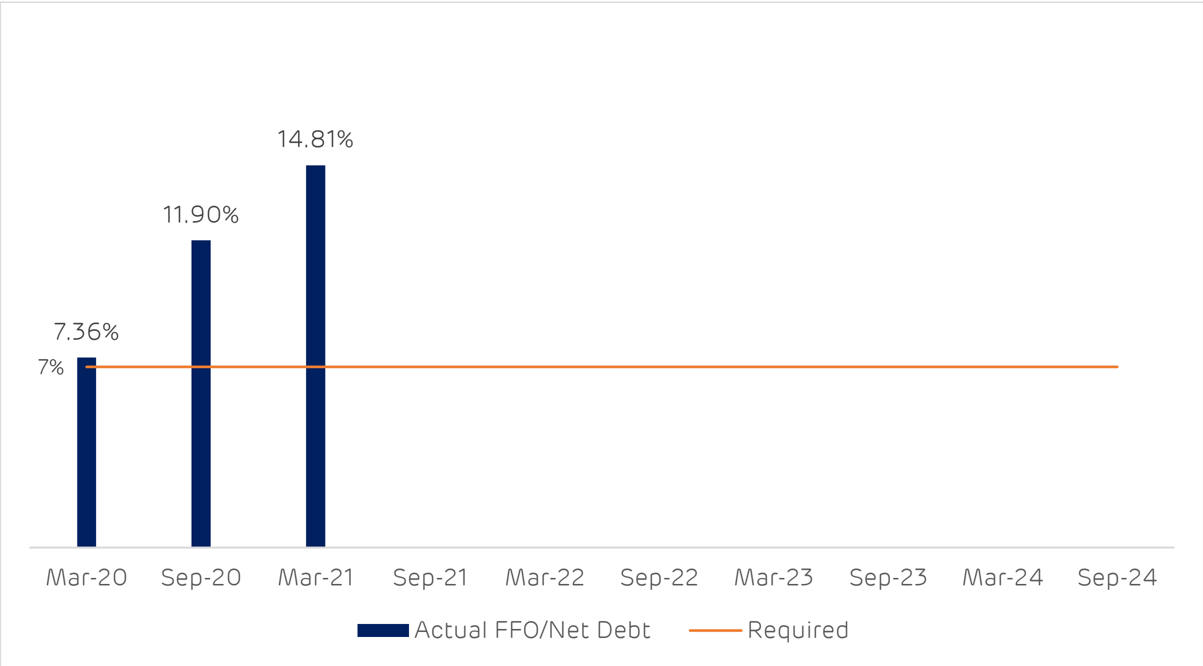
DSCR in Mar-20 and Sep-20 was high because of the following reason:

1. In the Calculation period ended 31-Mar-20 the debt service was not started.
2. In the Calculation period ended 30-Sep-20, there was one semi-annual debt servicing completed.

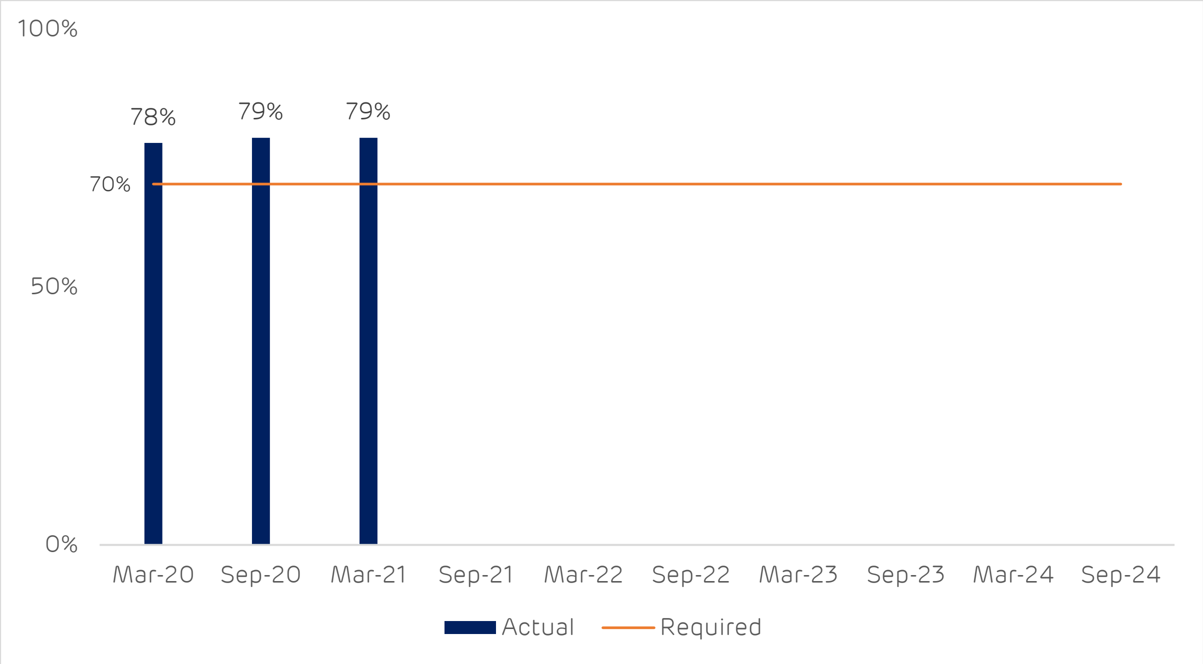
2. Project Life Cover Ratio:



3. FFO to Net Debt:

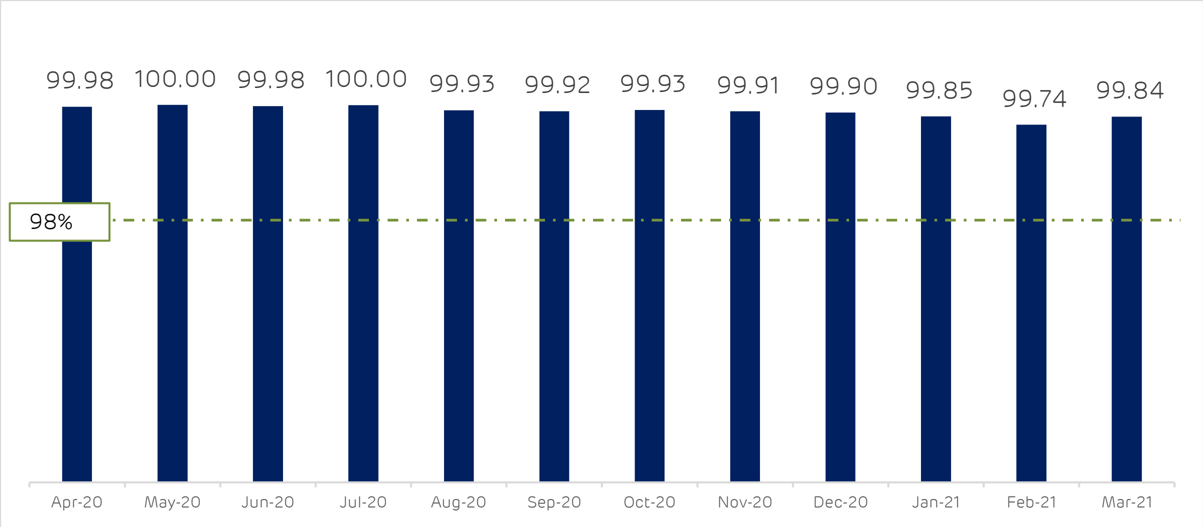


4. EBITDA from Sovereign Equivalent Counterparty:



1.5 Operational Update:

Operational performance of USPP Pool entities on aggregated basis is as follows for FY 21:

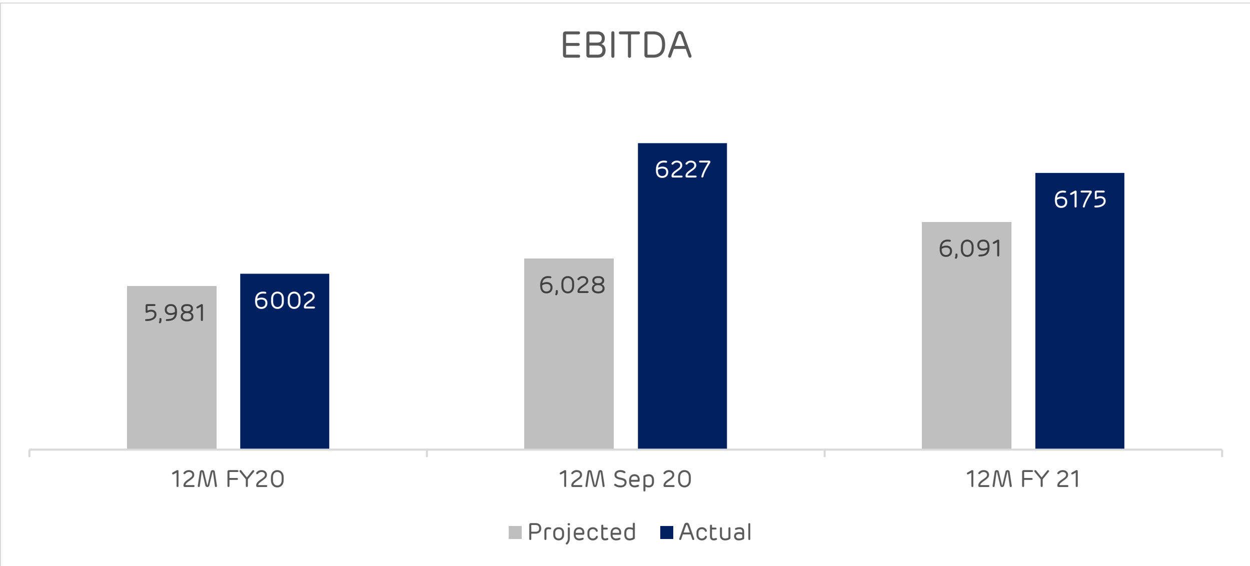


Constantly achieved more than 99.7% availability (average at USPP pool)

1.6 Financial Performance:

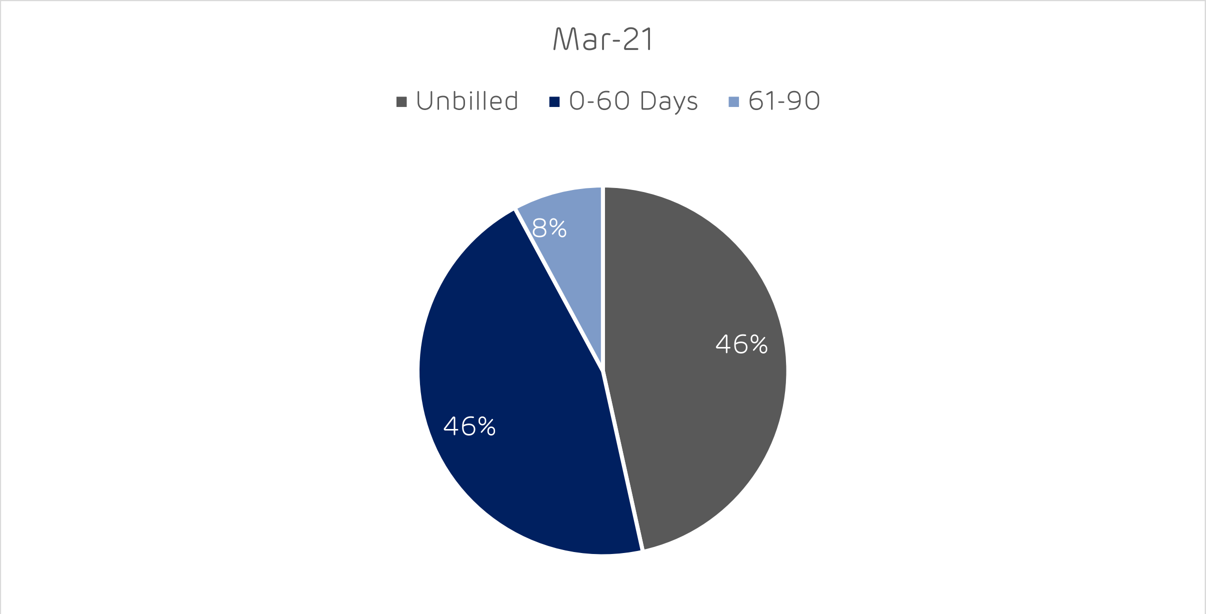
Financial performance of USPP entities on aggregated basis is as follows:

1.6.1 EBITDA Performance:



**(Above figure are in INR Mn)*

1.6.2 Receivable Ageing on Aggregated Basis:



(INR Mn)

Month	Total	Unbilled[1]	0-60 Days	61-90	91-120	121-180
Mar-21	1294	606	596	92		
Sep-20	1741	588	1045	108		
Mar-20	1655	609	863	105	78	-
Sep-19	1406	584	731	90	-	-

[1] # Receivables includes one month of normal unbilled revenue which will be billed on 1st of the next month as per applicable billing cycle. For example Feb-2021 revenue will be billed on 1st Mar 2021.

Issuer is entitled for delayed payment surcharge @ 1.25% per month on receipt of payment after 30 days of the due date. (TSA clause no 10.8)

As per TSA, amount of bill is required to be paid within 30 days from the date of receipt of Invoice by LTTC. Assuming that the LTTC receives the Invoice by 15th of next month and within 30 days from that date, LTTC is required to pay the transmission charges.

(e.g. for the month of June-2020, LTTC receives invoice by 15th of July 2020 and the due date for payment will be 15th of Aug-2020)

3. Compliance Certificate and its working:

To,

Each holder of Notes from time to time (Note Holders)

Catalyst Trusteeship Ltd (Security Trustee)

From:

1. Sipat Transmission Limited ("STL")
2. Chhattisgarh-WR Transmission Limited ("CWRTL")
3. Raipur-Rajnandgaon-Warora Transmission Limited ("RRWTL")
4. Hadoti Power Transmission Service Limited ("HPTSL")
5. Barmer Power Transmission Service Limited ("BPTSL")
6. Thar Power Transmission Service Limited ("TPTSL")
   (Collectively "Issuers")

Dear Sirs,

We refer to the captioned reference of Master Notes and Guarantee agreement dated 04th March 2020 and the First Supplement and Amendment to Master Note and Guarantee Agreement dated 20 March, 2020. The terms used in those agreement have the same meaning in this compliance certificate.

We would like to provide you the below mentioned financial and Operational information along with Compliance Certificate.

The compliance certificate is based on the following document:

1. Audited Aggregated Financial Statements for the 12 months period ended on March 31, 2021

2. Cash flow waterfall as per Project Account deed.

3. Working Notes

We hereby make the Operating Account Waterfall and distributable amount Calculation.

3.1 Computation of Operating Account Waterfall as per Project Account Deed:

(INR Mn)

Particulars	Mar-21	Sep-20	Source
Opening Cash Balance and Cash Equivalent	171	371	Working Note no 1
Total Revenue	6,478	6,474	Note 26, 27 of Fin Statement
Less:			
Taxes Paid	(80)	(351)	Part A of Cash flow statement
Operating Expenses and Statutory payments	(303)	(247)	Note 28, 29, 31 of Fin Statement
Working Capital Changes	555	(281)	Part A of Cash Flow statement
USPP Transaction expenses	(218)	(176)	Working note 4
Cash Flow before Debt Servicing (A)	**6,603**	**5,790**	
Debt Servicing:			
Interest Servicing	(2,875)	(2,465)	Annexure :B
Principal Servicing	(880)	(434)	Annexure :B
Other Finance Cost	(40)	(45)	Working note 4
Total (B)	**(3,795)**	**(2,944)**	
Cash flow available post Debt service (A+B)	2,808	2,845	
Payment from Swap Balancing account	(363)	-	Working note 4
Addition/withdrawal from Reserve Accounts:			
in Senior Debt Service Reserve Account	-	(1,256)	Working note 3
Forward Capex Reserve	-	-	
Senior Debt Restricted Reserve Accounts	-	-	
Senior Debt Redemption Accounts	-	-	
Swap Balancing Account	-	(363)	Anne I

Funds for 1 month equivalent Operating Expense	(29)	(28)	
Cash Available for Distribution	2,416	1,199	

We confirm that:

1. As calculated in Annex B hereto, the Debt Service Cover Ratio for the Calculation Period ending on the Calculation Date is: **1.62x** : 1x

2. As calculated in Annex C hereto, the percentage of EBITDA for the Calculation Period ending on the Calculation Date that is
(i) contributed by operating Persons is : **100%**
(ii) attributable to Transmission Services Agreements with Sovereign Counterparties is : **79%**

3. As calculated in Annex D hereto, Funds From Operations to Net Debt Ratio for the Calculation Period ending on the Calculation Date is: **14.81%**

4. As calculated in Annex E, the Project Life Cover Ratio for the Calculation Period ending on the Calculation Date is: **1.73x** : 1x

5. to the best of our knowledge having made due enquiry, no Default subsists.

3.2 Summary of Key Covenants:

Sr no	Particulars	Details	Min. required Ratio	Mar-21 - Actual	Sep-20 - Actual	Mar-20 Actual
1	Debt Service Cover Ratio **(DSCR)**	Ann :B	1.1x	1.62x	2.03x	2.45x
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5	Project Life Cover Ratio **(PLCR)**	Ann :E	1.5x	1.73x	1.76x	1.74x

3.2.1 DSCR:

DSCR in Mar-20 and Sep-20 was high because of the following reason:

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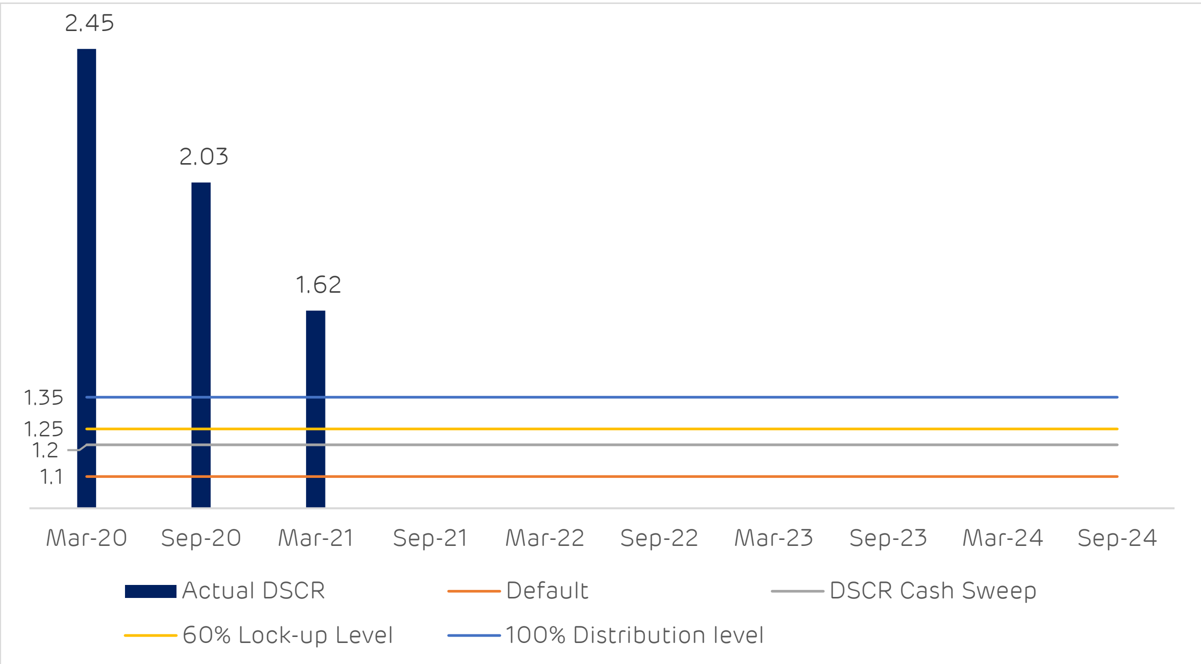
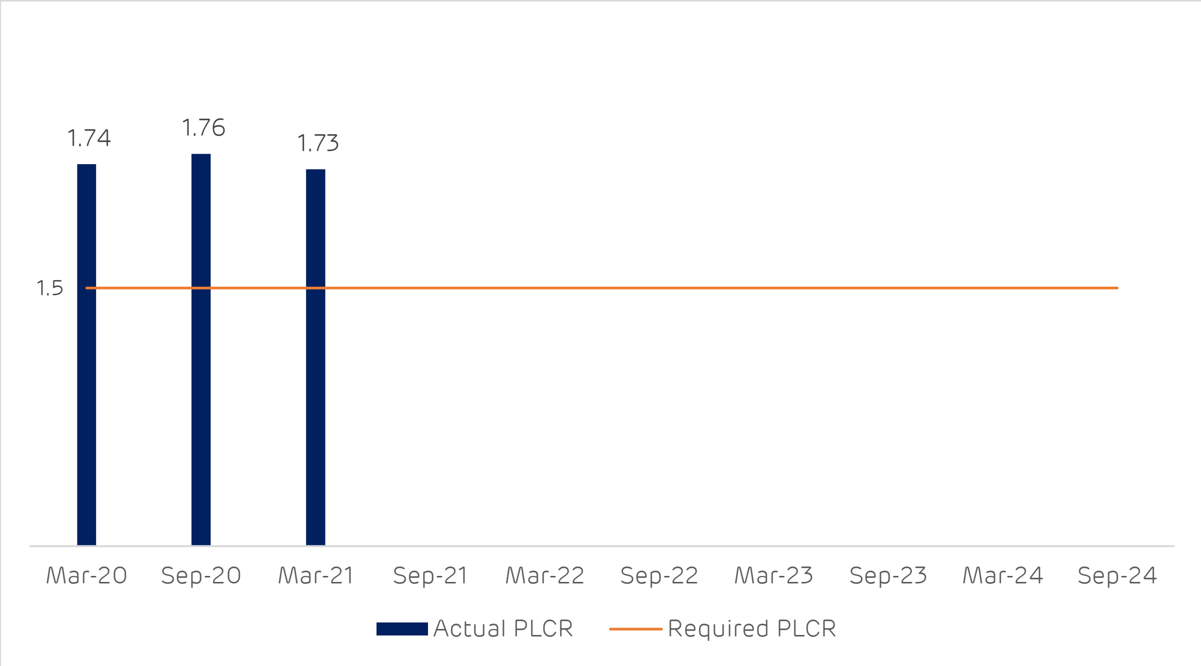
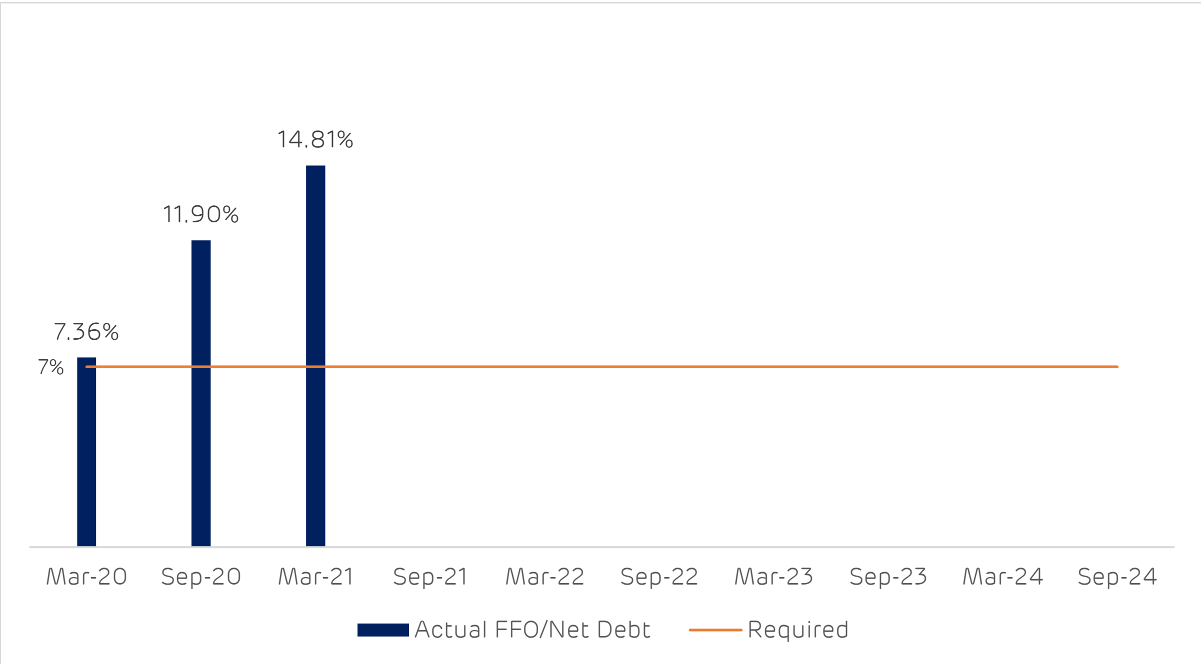
- In the Calculation period ended 30-Sep-20, there was one semi-annual debt servicing completed.



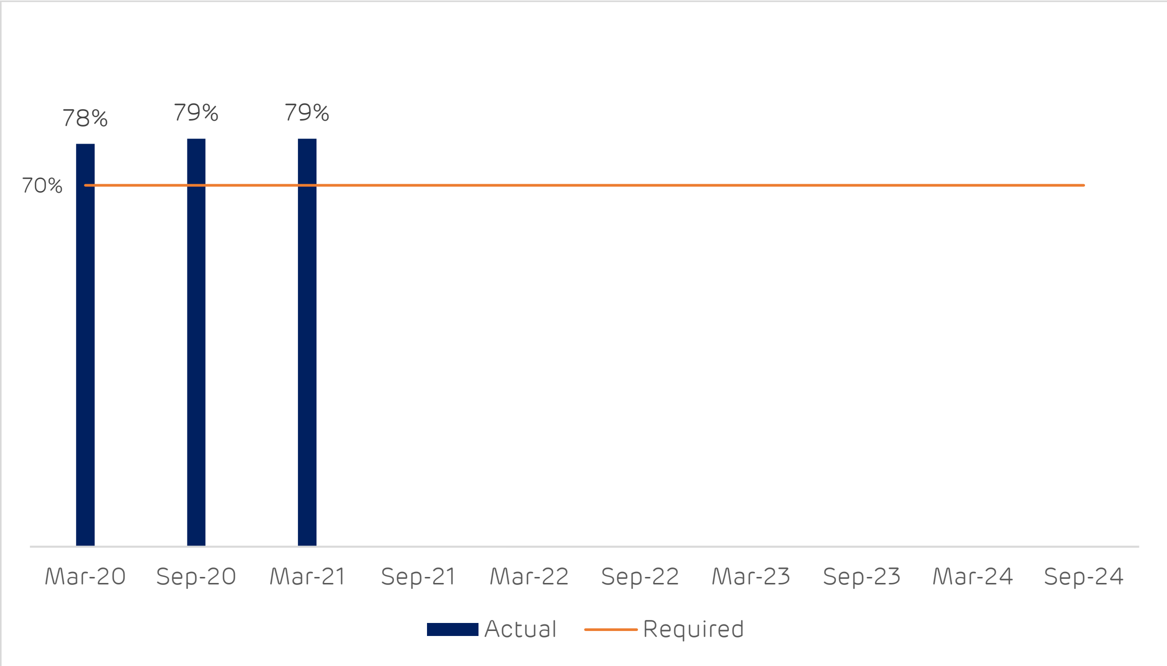
3.2.2 Project Life Cover Ratio:



3.2.3 FFO to Net Debt:



3.2.4 EBITDA from Sovereign Equivalent Counterparty:

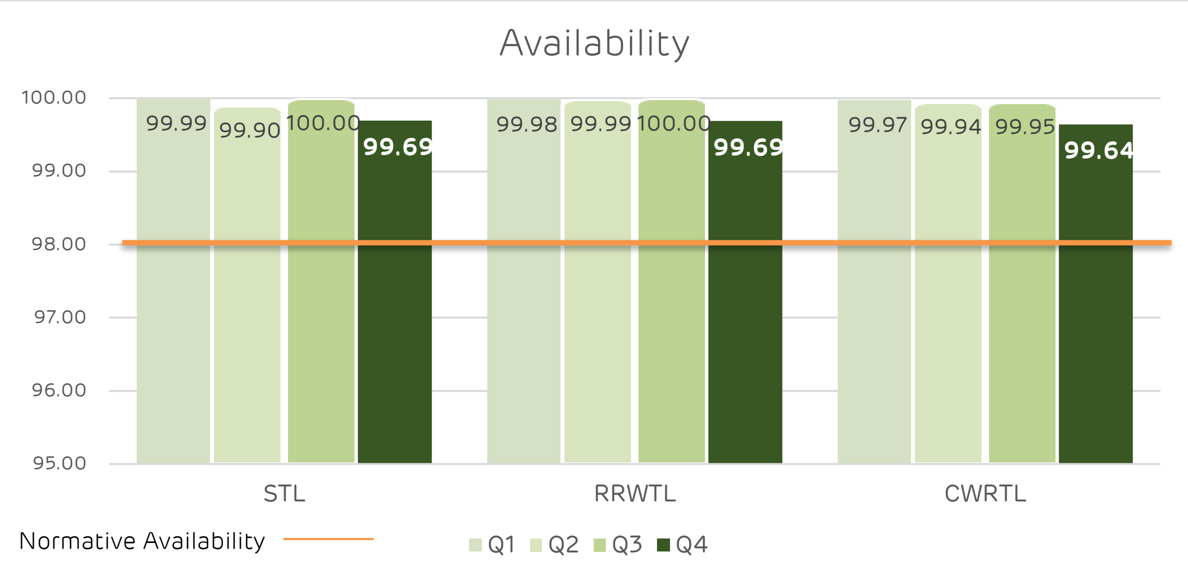


4. Operating Performance: Availability

All of the pool SPVs have been successfully operating the lines and have maintained high availability above 99.3% in the month of Mar-2021.

Below is the summary of Average Availability data for **Q1 FY 2021, Q2 FY 2021, Q3 FY 2021, Q4 2021:**

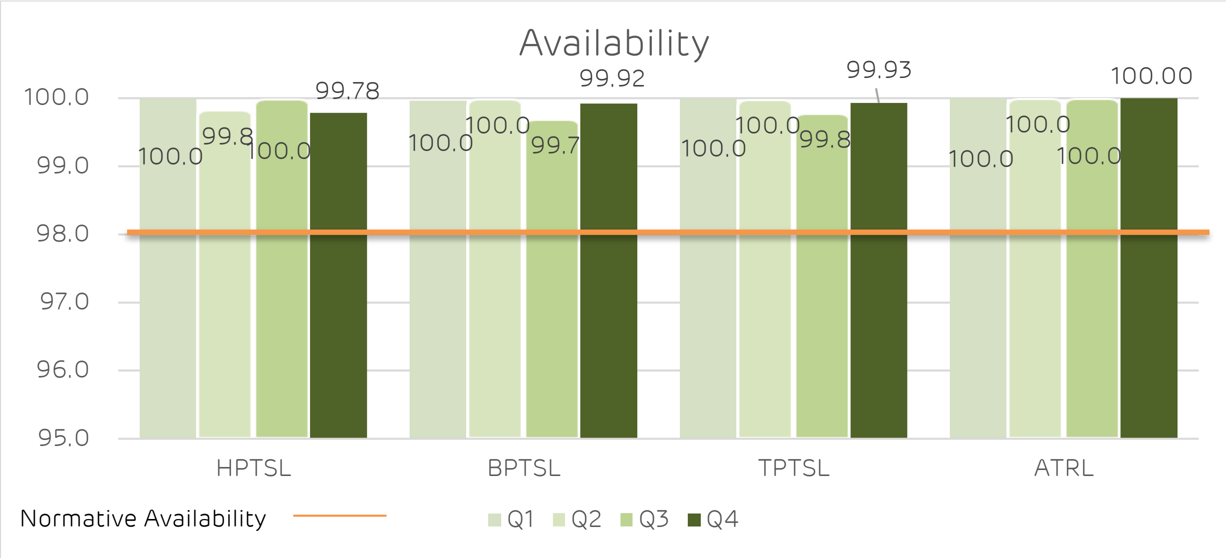
4.1 Sovereign Pool:



Monthly availability is provided as below:
(Availability Figures are in % Terms)

	STL	RRWTL	CWRTL
Apr-20	100.00	100.00	99.90
May-20	100.00	100.00	100.00
Jun-20	99.83	99.95	99.99
Jul-20	100.00	100.00	100.00
Aug-20	100.00	100.00	100.00
Sep-20	100.00	99.96	99.87
Oct-20	100.00	100.00	100.00
Nov-20	100.00	99.99	100.00
Dec-20	100.00	100.00	99.89
Jan-21	100.00	99.69	99.84
Feb-21	99.28	99.38	99.70
Mar-21	99.80	100.00	99.39

4.2 State Pool:



Monthly availability is provided as below:

(Availability Figures are in % Terms)

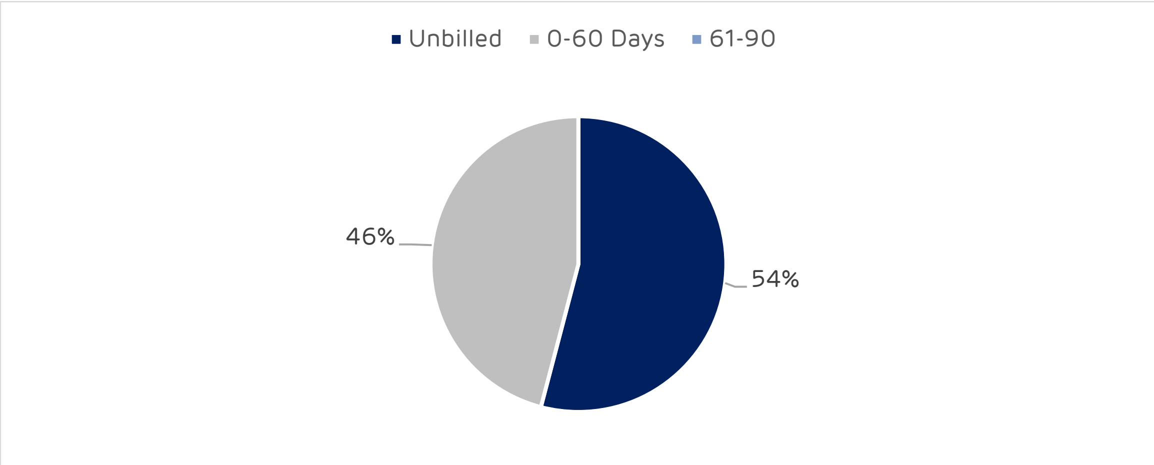
	HPTSL	BPTSL	TPTSL	ATRL
Apr-20	99.99	99.88	100.00	100.00
May-20	100.00	100.00	99.99	100.00
Jun-20	99.99	100.00	100.00	100.00
Jul-20	99.99	100.00	99.99	100.00
Aug-20	99.87	99.98	99.97	100.00
Sep-20	99.63	99.99	100.00	100.00
Oct-20	99.99	100.00	99.53	100.00
Nov-20	99.99	99.42	100.00	100.00
Dec-20	100.00	99.65	99.77	100.00
Jan-21	99.64	99.76	99.97	100.00
Feb-21	99.81	100.00	99.98	100.00
Mar-21	99.87	100.00	99.84	100.00

Normative availability is provided in each of the Transmission Service Agreement (TSA) the relevant clauses are provided in below table.

	Normative Availability	TSA Clause Ref no
CWRTL	98%	Clause no 8.2 of TSA
STL		
RRWTL		
HPTSL		
BPTSL		
TPTSL		
ATRL	98%	Clause 5.1.4 of TSA

5. Receivable Aging:

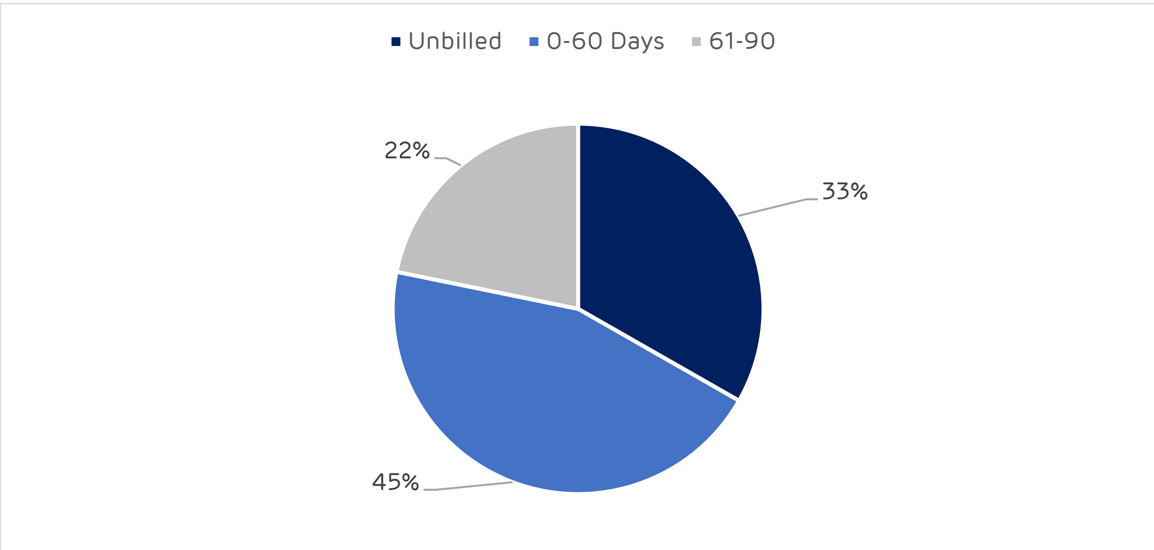
5.1.1 Sovereign Pool: Receivable update March-21



(INR Mn)

Month	Total	Unbilled #	0-60 Days	61-90	91-120	121-180	> 181 days
Mar-21	833	450	383	-	-	-	-
Sep-20	1404	452	844	108			
June-20	1610	437	803	370			
Mar-20	1095	448	647	-	-	-	-

5.1.2 State Pool: Receivable update March-21



(INR Mn)

Month	Total	Unbilled [2]	0-60 Days	61-90	91-120	121-180	> 181 days
Mar-21	461	156	202	103	-	-	-
Sep-20	337	136	201	-	-	-	-
June-20	682	144	225	100	212	-	-
Mar-20	560	161	216	105	78	-	-

[2] *Receivables includes one month of normal unbilled revenue which will be billed on 1st of the next month as per applicable billing cycle. For example June-2020 revenue will be billed on 1st July 2020.*

Issuer is entitled for delayed payment surcharge @ 1.25% per month on receipt of payment after 30 days of the due date. (TSA clause no 10.8)

As per TSA, amount of bill is required to be paid within 30 days from the date of receipt of Invoice by LTTC. Assuming that the LTTC receives the Invoice by 15th of next month and within 30 days from that date, LTTC is required to pay the transmission charges.

(e.g. for the month of June-2020, LTTC receives invoice by 15th of July 2020 and the due date for payment will be 15th of Aug-2020)

Form of Compliance Certificate:

To:Each holder of Notes from time to time

Ladies and Gentlemen:

Date: 01st Jun 2021

Reference is made to the Master Note and Guarantee Agreement dated March 4, 2020 (the "Note Agreement") among Sipat Transmission Limited, Chhattisgarh-WR Transmission Limited, Raipur-Rajnandgaon-Warora Transmission Limited, Hadoti Power Transmission Service Limited, Barmer Power Transmission Service Limited and Thar Power Transmission Service Limited, each a company organized under the laws of the Republic of India (each, an "Issuer" and together, the "Issuers"), and each of the purchasers named in Schedule A thereto. Unless otherwise indicated, capitalized terms used in this Compliance Certificate shall have the respective meanings ascribed to such terms in the Note Agreement.

Pursuant to Section 7.2 of the Master Note and Guarantee Agreement with respect to the Calculation Period ended on 31.03.2021 (the "Calculation Date"), the undersigned Senior Financial Officer hereby certifies as Authorised officer of the Issuers and not in any personal capacity as follows:

(a) As provided in **Annex A** hereto, at the Calculation Date the aggregate amount that each Issuer is entitled to transfer to its respective Distribution Account in accordance with Section 4.4(b) of the Project Accounts Deed (Operating Accounts Waterfall) and the Distribution Conditions is as follows:

Issuer	Rs (in millions)
Sipat Transmission Limited	404
Chhattisgarh-WR Transmission Limited	1,047
Raipur-Rajnandgaon-Warora Transmission Limited	796
Hadoti Power Transmission Service Limited	54
Barmer Power Transmission Service Limited	43
Thar Power Transmission Service Limited	70
Total	**2,416**

(b) As calculated in **Annex B** hereto, the Debt Service Cover Ratio for the Calculation Period ending on the Calculation Date is: **1.62x** : 1x

(c) As calculated in **Annex C** hereto, the percentage of EBITDA for the Calculation Period ending on the Calculation Date that is:

(i) contributed by operating Persons is : **100%**
(ii) attributable to Transmission Services Agreements with Sovereign Counterparties is : **79%**

(d) As calculated in **Annex D** hereto, Funds From Operations to Net Debt Ratio for the Calculation Period ending on the Calculation Date is: **14.81%**

(e) As calculated in **Annex E,** the Project Life Cover Ratio for the calculation Period ending on the Calculation Date is: **1.73x : 1x**

(f) The cash balance in each Issuer's Project Accounts as at the Calculation Date is as follows:

Issuer	Rs (in millions)
Sipat Transmission Limited	212
Chhattisgarh-WR Transmission Limited	366
Raipur-Rajnandgaon-Warora Transmission Limited	468
Hadoti Power Transmission Service Limited	42
Barmer Power Transmission Service Limited	41
Thar Power Transmission Service Limited	30
Adani Transmission (Rajasthan) Limited	289
Total	**1,448**

(g) Capital Expenditure undertaken or forecast to be undertaken by each Issuer in the six month period commencing on the Calculation Date is as follows:

Issuer	Rs (in millions)
Sipat Transmission Limited	-
Chhattisgarh-WR Transmission Limited	-
Raipur-Rajnandgaon-Warora Transmission Limited	-
Hadoti Power Transmission Service Limited	-
Barmer Power Transmission Service Limited	-
Thar Power Transmission Service Limited	-
Total	-

Maintenance capex is part of O&M Expenses, there is no new capex commitment.

(h) If applicable, insert information, including reasonably detailed calculations in **Annex H**, of compliance by the Issuers with any Additional Covenants: **Not Applicable**

(i) The mark-to-market value of each Permitted Swap Agreement as of the Calculation Date is set forth on Annex I:

(j) Each of the Issuers are acting prudently and, to the extent applicable, that the cash balance with respect to any proposed Distribution can be distributed as permitted under the relevant Finance Documents and that all Distribution Conditions are satisfied.

(k) Each Issuer confirms that, to the best of its knowledge, no Default or Event of Default has occurred during the interim or annual period covered by the statements then being furnished.

IN WITNESS WHEREOF, the undersigned has executed this Compliance Certificate on behalf of each Issuer as of the date first above written.

Sanjay Poddar

By:
Name: Sanjay Poddar
Title: Financial Controller

Annexure to the Compliance Certificate:

Annexure: A

The aggregate amount of distributable Surplus that each Issuer can entitled to transfer to its respective Distribution Account

Issuer	INR (in millions)
Sipat Transmission Limited	404
Chhattisgarh-WR Transmission Limited	1,047
Raipur-Rajnandgaon-Warora Transmission Limited	796
Hadoti Power Transmission Service Limited	54
Barmer Power Transmission Service Limited	43
Thar Power Transmission Service Limited	70
Total	2,416

Annex: B Debt Service Cover Ratio (DSCR)

(INR Mn)

Sr no	Item	Mar-21	Sep-20	Source
	CFADs Operating Revenue and interest revenue received (without double counting)	**6,477**	**6,473**	**Note B1**
	Minus:			
	Operating Expenses (subject to certain exclusions as set forth in the Agreement)	(303)	(247)	Note B2
	Taxes paid	(80)	(351)	
	Amounts paid to the Security Trustee (included in above)	-	-	
	and each representative under the Senior Secured Documents and any third party paying, transfer, or listing agents or registrars in relation to Senior Debt	-	-	
(i)	**Cash-flow Available for Debt Service**	**6,095**	**5,874**	
(ii)	**Debt Servicing:**	**3,755**	**2,899**	
	Scheduled principal repayment	880	434	
	Interest payments to Senior Creditors and payments of any Costs to Senior Creditors	2,875	2,465	Working note 4
	DSCR	1.62	2.03	

Note B1:

CFADs Operating Revenue and interest revenue received (without double counting)

	Particulars	Mar-21	Sep-20	Source
	CFADs Operating Revenue and interest revenue received (without double counting) (A+B)	6,477	6,473	
A	**CFADs Operating Revenue means, with respect to any period, (as calculated below)**	6,388	6,402	
	Operating Revenue for such period:	6,389	6,403	Note 26 to Fin. Statement
	excluding (without double counting)			
(a)	non-recurring significant items (including, but not limited to, profits and losses on disposal of assets outside the ordinary course of business);	(1)	(1)	Note 27 to Fin. Statement
(b)	extraordinary items (including but not limited to profits or losses on termination of any Secured Hedging Agreement);	-	-	

(c)	net payments received under any Secured Hedging Agreements;	-	-	
(d)	any other non-cash items (including by not limited to property revaluations);			
(e)	insurance proceeds other than business interruption insurance proceeds or advance consequential loss of profit insurance proceeds or any proceeds applied towards reimbursement for repair or reinstatement of an asset where the cost of the relevant repair or reinstatement is an Operating Expense;	-	-	
(f)	proceeds of any Indebtedness or equity; and	-	-	
(g)	any compensation, warranty claim or indemnity payment received under a Material Document, other than any amounts calculated with respect to or provided in lieu of revenue or where the cost, liability or loss being compensated for or the subject of the relevant warranty or indemnity is an Operating Expense.	-	-	
B	Interest revenue received	89	71	Note 27 to Fin. Statement

Note B2:

Operating Expenses:

(INR Mn)

	Total Operating Expense	Mar-21	Sep-20	source
1	Operating expenses	191	155	Note 28,29, 31 to Fin. Statement
2	Employee Benefits Expense	24	21	
3	Other Expenses	88	71	
	Total	**303**	**247**	

Annex: C Operating Persons and Sovereign Counterparties

(INR Mn)

Particulars	Mar-21	Sep-20	Source
EBITDA	6,175	6,226	Note C1
Amount contributed by operating Persons	100%	100%	
Amount attributable to Transmission Services Agreements with Sovereign Counterparties	79%	79%	

Note: C1 Calculation of EBITDA

(INR Mn)

Particulars	Mar-21	Sep-20	Source
Profit before Tax	2,436	2,213	P&L Statement
Depreciation and amortisation	829	823	
Finance costs	2,911	3,190	
EBITDA	**6,175**	**6,226**	

Note C2 EBITDA from sovereign counterparty:

(INR Mn)

EBITDA	Mar-21	Sep-20
Sipat Transmission Ltd	981	1,000
Raipur Rajnandgaon Warora Transmission Ltd	2,234	2,260
Chhattisgarh WR Transmission Ltd	1,641	1,675
Total EBITDA	**4,855**	**4,944**
Amount attributable to Transmission Services Agreements with Sovereign Counterparties	79%	79%

Annex: D Fund from Operation to Net Debt Ratio (FFO/Net Debt)

(INR Mn)

	Particulars	Mar-21	Sep-20	Source
(i)	Funds from Operation	3,775	3,129	
	EBITDA	6,175	6,226	
	minus Taxes paid	(80)	(351)	Part A of Cash flow statement
	Adjusted for Negative working capital movements	555	(281)	
	Minus cash net interest	(2,875)	(2,465)	Annex: B
(ii)	Net Debt	25,477	26,274	
	Total Senior Secured Debt	28,229	29,119	Note D3
	Less:			
	Cash and Bank Balance	(361)	(437)	Note D2
	Amounts held in the			
	Senior Debt Service Reserve Accounts	(1,304)	(1,256)	Note D2
	Senior Debt Restricted Reserve Accounts			
	Surplus Holdings Accounts			
	Senior Debt Redemption Accounts			
	Swap Gain Accounts			
	Swap Balancing Accounts	0	(363)	Annex: I
	Permitted Investments	(1,087)	(789)	Note D2
	FFO to Net Debt Ratio (i)/(ii)	14.81%	11.90%	

Note:

D1:

(INR Mn)

Particulars	Mar-21	Sep-20	Source
Taxes paid	80	351	Part A Cash Flow statement
Working Capital Movement	555	281	Part A Cash Flow statement

D2: Amounts taken directly from Financial:

(INR Mn)

Particulars	Mar-21	Sep-20	Source
(A) Cash and Cash Equivalent			
Cash /Bank Balance	261	800	Note 11 to Fin. Statement
Bank Balance	101	(363)	Note 12 to Fin. Statement
Total Cash and Cash Equivalent	361	437	
(B) Reserve Accounts as per Project Account Deed:			
Senior Debt Service Reserve Accounts	1,304	1,256	Note 5 to Fin. Statement
Senior Debt Restricted Reserve Accounts			-
Surplus Holdings Accounts			-
Senior Debt Redemption Accounts			-
Swap Gain Accounts			-
Swap Balancing Accounts		363	-
(C)Permitted Investments	1087	789	Note 9 to Fin. Statement

D3: Senior Secured Debt:

(INR Mn)

Particulars	Mar-21	Sep-20	Source
Non-current Senior Secured USD Notes	27,369	27898	Note 17 Fin. Statement
Current Senior Secured USD Notes	847	855	Note 17 Fin. Statement
Net Derivative Instrument designated in hedge accounting relationship	13	363	Note 23 Fin. Statement
Total Senior Debt Outstating	**28,229**	**29,119**	

Annex: E Project Life Cover Ratio (PLCR)

(INR Mn)

	Particulars	Mar-21	Sep-20	Note
(i)	**NPV of EBITDA**	**46,619**	**49,107**	E1
	NPV Factor (weighted average lifecycle cost of Senior Debt)	9.69%	9.22%	E2
	Senior Debt for PLCR calculation			
	Senior Debt outstanding on relevant Calculation Date	26,925	27,863	
	Less: SDRA balance	-	-	
(ii)	**Net Senior Debt**	**26,925**	**27,863**	E3
	PLCR (i/ii)	1.73	1.76	

Note:

E1. EBITDA Reasonably forecasted for the life of Transmission Service agreement (based on the updated financial model)

(INR Mn)

FY	Mar-22	Mar-23	Mar-24	Mar-25	Mar-26	Mar-27
EBITDA Reasonably Forecasted	6,065	6,040	5,891	5,616	5,287	4,840
Cost of Debt	9.69%	9.69%	9.69%	9.69%	9.69%	9.69%

FY	Mar-28	Mar-29	Mar-30	Mar-31	Mar-32	Mar-33
EBITDA Reasonably Forecasted	4,572	4,294	4,234	4,215	4,192	4,178
Cost of Debt	9.69%	9.69%	9.69%	9.69%	9.69%	9.69%

FY	Mar-34	Mar-35	Mar-36	Mar-37	Mar-38	Mar-39
EBITDA Reasonably Forecasted	4,157	4,095	4,071	3,946	3,949	3,930
Cost of Debt	9.69%	9.69%	9.69%	9.69%	9.69%	9.69%

FY	Mar-40	Mar-41	Mar-42	Mar-43	Mar-44	Mar-45
EBITDA Reasonably Forecasted	3,899	3,876	3,850	3,810	3,777	3,748
Cost of Debt	9.69%	9.69%	9.69%	9.69%	9.69%	9.69%

FY	Mar-46	Mar-47	Mar-48	Mar-49	Mar-50	Mar-51
EBITDA Reasonably Forecasted	3,718	3,675	3,640	3,604	3,547	3,502
Cost of Debt	9.69%	9.69%	9.69%	9.69%	9.69%	9.69%

FY	Mar-52	Mar-53	Mar-54
EBITDA Reasonably Forecasted	3,439	3,272	2,611
Cost of Debt	9.69%	9.69%	9.69%

E2. Currently the Senior Secured Debt outstanding in this group is USPP Notes. The weighted average lifecycle cost for the same is 9.69% (coupon 5.20%+ hedging cost 4.49%)

Since issuance of the USPP notes, it was our endeavour to hedge our exposure for the longer tenor to the extent available with the optimum cost. We were in the money in the month of March-21, and we hedged the exposure for the period of further 10 Years. In the month of March-21, we did a hedge renewal by entering a 10 Y swap agreement till 11-Mar-31.

The average maturity of Notes as on issuance date was ~16.34 years out of which as on date we have fully hedged exposure for 11 years (1 year already completed in FY 21) and it will be our endeavour to keep on increasing the hedge tenor to match with the average maturity of debt.

E3. Senior Debt Outstanding for PLCR:

(INR Mn)

Particulars	Mar-21	Sep-20	Source
Senior Debt Outstanding	28,229	28,229	Note no D3
Less: Debt Service Reserve Account	(1,304)	(1,304)	Working note 3
Net Debt outstanding for PLCR	26,925	26,925	

Annex: I Mark to Market Loss value of Swap agreement

Issuer	Mark-to-market value Mar-21 (INR Mn)	Mark-to-market value Sep-20 (INR Mn)
Sipat Transmission Limited	-	70
Chhattisgarh-WR Transmission Limited	-	106
Raipur-Rajnandgaon-Warora Transmission Limited	-	146
Hadoti Power Transmission Service Limited	-	17
Barmer Power Transmission Service Limited	-	12
Thar Power Transmission Service Limited	-	12
Total	**-**	**363**

At the end of Mar-21, the mark-to-market value of a Permitted Swap Agreement shows notional gain.

Working Notes:

Note: 1 Opening Cash and Cash Equivalent:

(INR Mn)

Particulars	Mar-21	Source
Opening Cash and Cash Equivalent	529	Balance Sheet as on 31.03.2020
Permitted Investment	7	Balance Sheet as on 31.03.2020
Less:		
Capex commitment and other payments during the period Apr 20 to Mar 21	(365)	Working note 2
Net Opening Cash and Cash Equivalent	**171**	

Note 2: Capex commitment and other payments

(INR Mn)

Particulars	Mar-21	Source
Payment of Capital Creditors and Capital Expense	371	Part B of Cash Flow Statement
Add: Financial Assets under Service Concession Arrangements	10	Part B of Cash Flow Statement
Adjustment:		
Payment of Lease	4	Part C of Cash Flow Statement
Total	**365**	

Note: 3 Senior Debt Service Reserve Accounts:

(INR Mn)

Senior Debt Service Reserve Accounts	Mar-21	Sep-20	Source
STL	231	222	Note no 5 of Financial statement
RRWTL	522	503	
CWRTL	378	364	
HPTSL	64	62	
BPTSL	55	53	
TPTSL	53	51	
Total	**1,303**	**1,256**	

The above amounts represent the closing balance as on respective period.

Note: 4 Total Finance Cost as per Cash Flow

(INR Mn)

Particulars	Mar-21	Sep-20	Source
(a) Interest and other payment to Senior Creditors	2,802	2,465	Note 30 to Financial statement
(b) Accrued interest of Senior Creditors	74		Management Info.
1) Total Interest to Senior Creditors (a+b)	**2875**		
2) USPP Transaction Expense	218	176	Management Info.
3) Prepayment premium to outgoing lenders	-	227	
4) Accrued interest of Sponsor Affiliate Debt	84	575	
5) Other Finance Cost	40	45	Note 30 to Financial statement & Management Info.
6) Payment from swap balancing account	363	-	Management Info
Grand Total (Total of 1 to 6)	**3,581**	**3,484**	Part C of Cash flow statement

6. Projected Key Financial information and Ratios:

Please find below key assumption summary and the projected financial ratios.

Key Assumption:

1. **Revenue:** It is as per the tariff adoption order/Transmission Service Agreement of respective companies.

2. **Availability:** Availability is assumed to be at 99.75%.

3. **Incentive:** Incentive calculation is in-line with the calculation provided under respective TSAs.

4. **Actual O&M** The projected O&M cost remains unaltered as submitted earlier in final financial model at the time of closing.

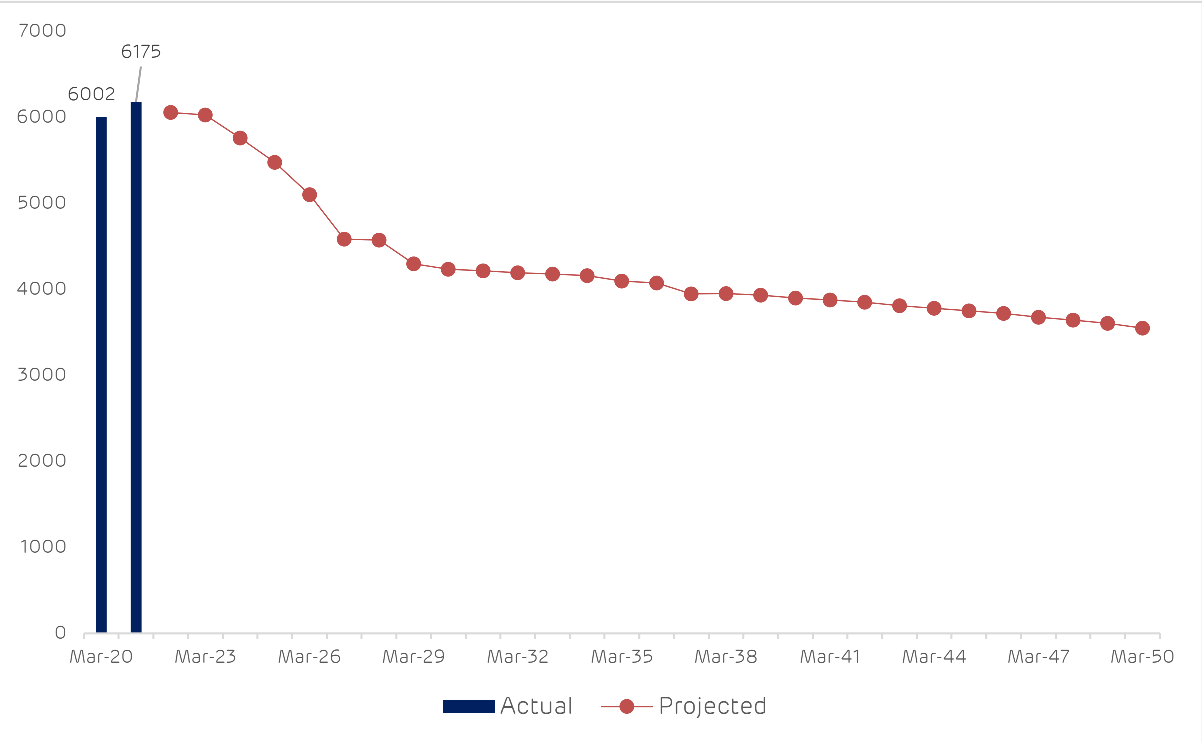
5. **O&M Escalation Rate:** Aggregated O&M Escalation rate is same as was submitted in final model i.e. ~ 3.84% on aggregate basis.

6. **Cost of Debt:** Cost of debt is assumed at 9.69% p.a. (incl hedging cost).

7. **Tax:** The tax rate is assumed as per the prevailing tax law in India.

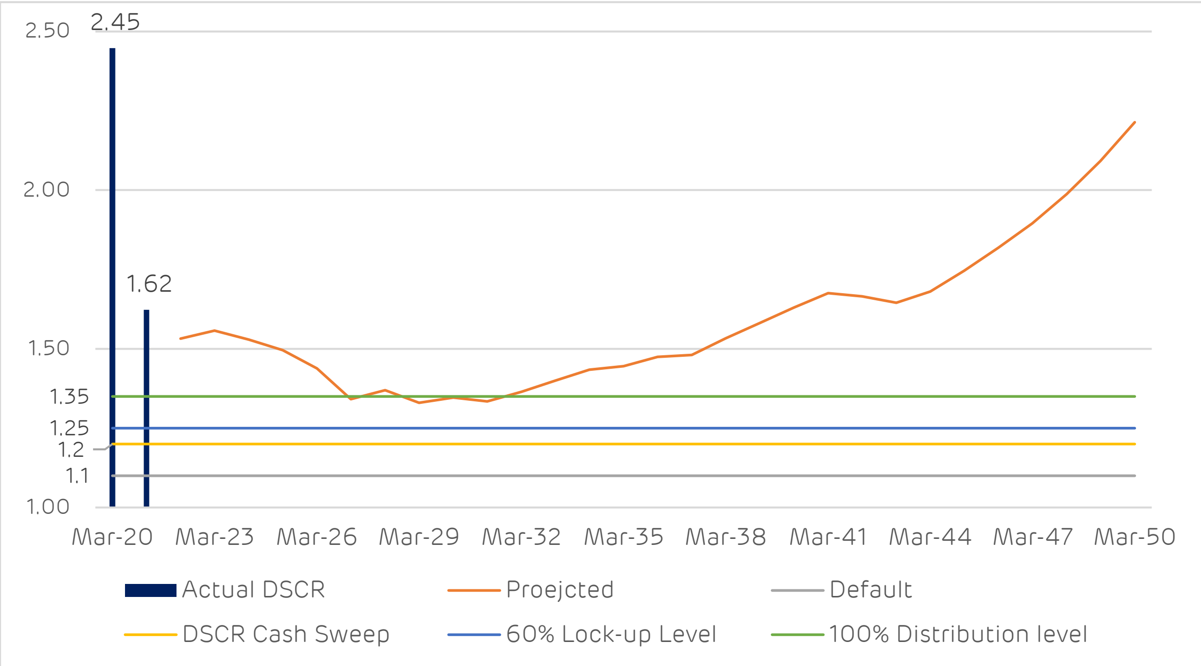
1. EBITDA Profile:

(INR Mn)

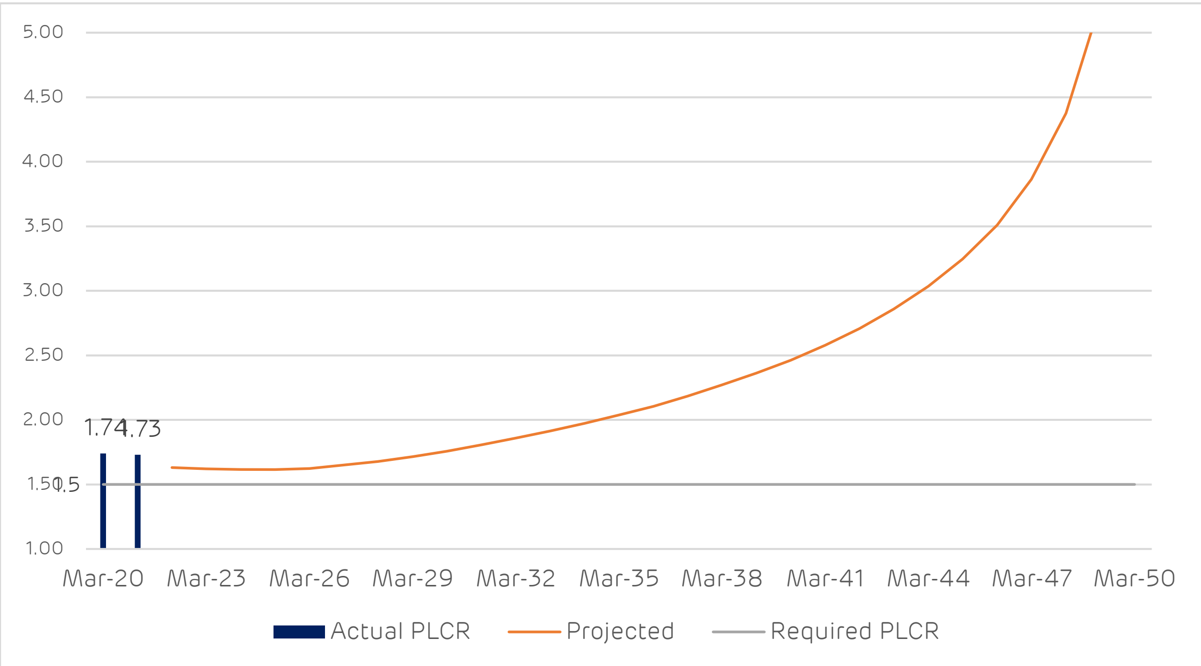


Key Ratios:

1. Debt Service Cover ratio.



2. Project Life Cover Ratio:



7. Financial Statements:

7.1 Audited Aggregated Financial Statement for the 12 months period ended on March, 31 2021

Independent Auditors' Report
To the Board of Directors of
Adani Transmission Limited
Report on the Audit of USPP Pool Combined Financial Statements

Opinion

We have audited the combined financial statements of the USPP Pool which consists of Barmer Power Transmission Service Limited, Chhattisgarh-WR Transmission Limited, Hadoti Power Transmission Service Limited, Thar Power Transmission Service Limited, Raipur-Rajnandgaon-Warora Transmission Limited, Sipat Transmission Limited & Adani Transmission (Rajasthan) Limited (each, referred to as a "USPP Pool Entity" and collectively referred to "USPP Pool") which comprises the combined balance sheet as at 31st March, 2021, the combined statements of profit and loss (including other comprehensive income), the combined statements of cash flows and combined statements of changes in net parent investment for the year ended 31st March. 2021 and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "combined financial statements"). All USPP Pool entities are wholly owned subsidiaries of Adani Transmission Limited ("ATL").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid combined financial statements for the year ended 31st March. 2021 give a true and fair view in accordance with the basis of preparation as set out in note 2b to the combined financial statements.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Combined Financial Results* section of our report. We are independent of the USPP Pool in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the applicable provisions. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Combined Financial Statements

The Management of ATL is responsible for the preparation and presentation of these combined financial statements that give a true and fair view of the combined state of affairs, combined loss and other comprehensive income, changes in combined net parent investment and combined cash flows in accordance with the basis of preparation as set out in Note 2b to these combined financial statements. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of each USPP Pool entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and

Independent Auditors' Report (Continued)

completeness of the accounting records, relevant to the preparation and presentation of the combined financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, the Management of ATL is responsible for assessing the ability of each USPP Pool entity 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 USPP Pool entity or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of ATL is responsible for overseeing the USPP Pool's financial reporting process.

Auditor's Responsibilities for the Audit of the combined financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 combined financial statements.

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

- Identify and assess the risks of material misstatement of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the USPP Pool's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

DHARMESH PARIKH & CO LLP
FRN
112054W/
W100725
Chartered Accountants

303/304, "Milestone"
Nr. Drive-in-Cinema, Opp.T.V.Tower,
Thaltej, Ahmedabad-380054
Phone: 91-79-27474466
Email: info@dharmeshparikh.net
Website: www.dharmeshparikh.net

Independent Auditors' Report (Continued)

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparation of combined financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 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.

- Evaluate the overall presentation, structure and content of the combined financial statements, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the USPP Pool to express an opinion on the combined financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such USPP Pool entities included in the combined financial statements of which we are the independent auditors.

We communicate with those charged with governance of ATL and such other USPP Pool entities included in the combined financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

These Special purpose combined financial statement have been prepared by the ATL's management solely for the purpose fulfilling requirement specified under the Notes Agreement (Financing agreement). This report is issued solely for the aforementioned purpose and also for the purpose of upload on the website of the Company and the Stock Exchange as may be applicable and accordingly may not be suitable for any other purpose, and should not be used, referred to or distributed for any other purpose or to any other party without prior written consent.

For Dharmesh Parikh & Co LLP
Chartered Accountants
Firm Reg. No.: 112054W/W100725

DHARMESH PARIKH & CO LLP
FRN
112054W /
W100725
Chartered Accountants

Chirag J Shah

Place: Ahmedabad
Date: 1st June 2021

Chirag Shah
Partner
Membership No.: 122510
UDIN : 21122510AAAAKE6832

USPP Pool

Special Purpose Combined Balance Sheet as at 31st March, 2021

adani
Transmission

(₹ in Million)

Particulars	Notes	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
Non-current Assets			
Property, Plant and Equipment	3.1	28,374.1	29,030.7
Capital Work-In-Progress	3.2	204.2	23.2
Right of Use Assets (Net)		182.2	189.2
Intangible Assets	3.3	0.4	-
Financial Assets			
(i) Loans	4	108.8	-
(ii) Other Financial Assets	5	2,589.1	1,300.1
Income Tax Assets	6	367.4	18.8
Other Non-current Assets	7	1,128.0	1,294.1
Total Non-current Assets		32,954.2	31,856.1
Current Assets			
Inventories	8	8.3	1.9
Financial Assets			
(i) Investments	9	1,087.3	7.4
(ii) Trade Receivables	10	687.9	1,046.4
(iii) Cash and Cash Equivalents	11	260.5	528.8
(iv) Bank Balance other than (iii) above	12	100.9	1,271.4
(v) Loans	13	0.0	-
(vi) Other Financial Assets	14	714.6	1,384.3
Other Current Assets	15	61.0	71.4
Total Current Assets		2,920.5	4,311.6
Total Assets		35,874.7	36,167.7
EQUITY AND LIABILITIES			
Equity			
Net Parent Investment	16	5,369.7	4,073.8
Total Equity		5,369.7	4,073.8
Liabilities			
Non-current Liabilities			
Financial Liabilities			
(i) Borrowings	17	27,368.9	29,099.7
(ii) Other Financial Liabilities	18	986.7	213.0
Provisions	19	1.9	0.4
Deferred Tax Liabilities (Net)	20	923.6	222.9
Total Non-current Liabilities		29,281.1	29,536.0
Current Liabilities			
Financial Liabilities			
(i) Borrowings	21	109.1	1,010.6
(ii) Trade Payables	22		
(A) Total outstanding dues of micro enterprises and small enterprises		2.0	3.0
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		108.0	304.5
(iii) Other Financial Liabilities	23	954.3	1,211.5
Other Current Liabilities	24	50.2	16.2
Provisions	19	0.3	2.0
Income Tax liabilities (Net)	25	-	10.1
Total Current Liabilities		1,223.9	2,557.9
Total Equity and Liabilities		35,874.7	36,167.7

(Transactions below ₹ 5000.00 denoted as ₹ 0.0 Million)

See accompanying notes forming integral part of the Special Purpose Combined Financial Statements.

As per our attached report of even date

For Dharmesh Parikh & Co. LLP
Chartered Accountants
Firm Registration Number : 112054W/W100725

Chirag J Shah

CHIRAG SHAH
Partner
Membership No. 122510

DHARMESH PARIKH & CO LLP ★ FRN 112054W / W100725 ★ Chartered Accountants

Place : Ahmedabad
Date : 1st June, 2021

For and on behalf of the Board of Directors
ADANI TRANSMISSION LIMITED

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 1st June, 2021

Adani Transmission Limited

USPP Pool

Special Purpose Combined Statement of Profit and Loss for the year ended 31st March, 2021

adani Transmission

(₹ in Million)

Particulars	Notes	For the Year ended 31st March, 2021	For the year ended 31st March, 2020
Income			
Revenue from Operations	26	6,388.7	6,203.7
Other Income	27	89.3	43.9
Total Income		**6,478.0**	**6,247.6**
Expenses			
Operating expenses	28	191.0	170.2
Employee Benefits Expense	29	23.8	14.4
Finance Costs	30	2,910.7	2,936.7
Depreciation and Amortisation Expenses	3.1 & 3.3	828.7	782.6
Other Expenses	31	87.8	61.0
Total Expenses		**4,042.0**	**3,964.9**
Profit Before Tax for the Year		**2,436.0**	**2,282.7**
Tax Expense:	32		
Current Tax		114.3	398.5
Tax Adjustment relating to earlier periods		(393.2)	-
Deferred Tax		877.7	234.0
		598.8	**632.5**
Profit After Tax for the Year	**Total A**	**1,837.2**	**1,650.2**
Other Comprehensive Income			
(a) Items that will not be reclassified to Profit or Loss		0.0	-
(b) Tax relating to items that will not be reclassified to Profit or Loss		-	-
(c) Items that will be reclassified to profit or loss		(718.4)	(94.8)
(d)Tax relating to items that will be reclassified to Profit or Loss		177.1	27.6
Other Comprehensive Income for the Year (Net of Tax)	**Total B**	**(541.3)**	**(67.2)**
Total Comprehensive Income for the Year	**Total (A+B)**	**1,295.9**	**1,583.0**

(Transactions below ₹ 5000.00 denoted as ₹ 0.0 Million)

See accompanying notes forming integral part of the Special Purpose Combined Financial Statements.

As per our attached report of even date

For Dharmesh Parikh & Co. LLP
Chartered Accountants
Firm Registration Number : 112054W/W100725

Chirag J Shah

CHIRAG SHAH
Partner
Membership No. 122510

DHARMESH PARIKH & CO LLP FRN 112054W / W100725 Chartered Accountants

Place : Ahmedabad
Date : 1st June, 2021

For and on behalf of the Board of Directors of
ADANI TRANSMISSION LIMITED

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

Place : Ahmedabad
Date : 1st June, 2021

JALADHI SHUKLA
Company Secretary

Adani Transmission Limited

USPP Pool

Special Purpose Combined Statement of Cash Flows for the year ended 31st March, 2021

adani Transmission

(₹ in Million)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
A. Cash flow from operating activities		
Profit before tax	2,436.0	2,282.7
Adjustments for:		
Finance Costs	2,910.7	2,936.7
Depreciation Expense	828.7	782.6
Gain on Sale/Fair Value of Current Investments through Profit & Loss	(26.9)	(38.9)
Unclaimed liabilities/Excess provision written back	(3.2)	-
Income from sale of scrap	(0.8)	-
Other Income	(5.2)	-
Interest Income	(53.2)	(3.1)
Operating profit before working capital changes	**6,086.1**	**5,960.0**
Changes in Working Capital:		
(Increase) / Decrease in Operating Assets :		
Loans , Other Financial Assets and Other Assets	144.9	(547.1)
Inventories	(6.5)	(1.9)
Trade Receivables	358.6	(692.6)
Increase / (Decrease) in Operating Liabilities :		
Other Financial Liabilities, Other Liabilities and Provisions	34.0	(3.5)
Trade Payables	23.9	15.7
Cash generated from operations	**6,641.0**	**4,730.6**
Taxes paid (Net)	(79.8)	(430.1)
Net cash generated from operating activities (A)	**6,561.2**	**4,300.5**
B. Cash flow from investing activities		
Financial Assets under Service Concession Arrangements	9.8	9.4
Payments of Capital expenditure on Property, Plant and Equipment, Intangible Asset (including capital advance)(Net)	(371.4)	(2,072.3)
Proceeds of current investment (net)	(1,053.0)	363.0
Proceeds from / (Deposits in) Bank deposits (net) (Including Margin money deposit)	(133.2)	(1,180.8)
Loan given to related party	(108.8)	-
Interest received	52.1	3.1
Net cash used in investing activities (B)	**(1,604.5)**	**(2,877.6)**
C. Cash flow from financing activities		
Net Proceeds from Long Term Borrowings	(879.7)	8,455.9
Net Proceeds from Short Term Borrowings	(760.7)	(300.8)
Redemption of Optionally Convertible Redeemable Debentures	-	(6,080.6)
Payment of lease	(4.0)	(3.8)
Finance Cost paid	(3,580.6)	(3,350.4)
Net cash generated from financing activities (C)	**(5,225.0)**	**(1,279.7)**
Net decrease in cash and cash equivalents (A+B+C)	**(268.3)**	**143.2**
Cash and cash equivalents at the beginning of the year	528.8	385.6
Cash and cash equivalents at the end of the year (Refer note 11)	**260.5**	**528.8**

Cash and cash equivalent includes - Refer Note 11	As at 31st March, 2021	As at 31st March, 2020
Balances with banks		
In current accounts	224.7	528.8
Fixed Deposits (with original maturity for three months or less)	35.8	-
	260.5	528.8

Disclosure as per Ind AS 7 (Para 44A) Statement of Cash Flows:

(₹ in Million)

Particulars	1st April, 2020	Cash Flows (Net)	Foreign Exchange Management	Other	31st March, 2021
Long-term Borrowings (Including Current Maturities of Long Term Debt)	29,978.8	(879.7)	(1,005.0)	122.2	28,216.3
Short term Borrowings	1,010.6	(760.7)	-	(140.8)	109.1
Total	30,989.4	(1,640.4)	(1,005.0)	(18.6)	28,325.4

(₹ in Million)

Particulars	1st April, 2019	Cash Flows (Net)	Foreign Exchange Management	Other	31st March, 2020
Long-term Borrowings (Including Current Maturities of Long Term Debt)	20,937.8	8,455.9	614.5	(29.4)	29,978.8
Short term Borrowings	1,311.4	(300.8)	-	-	1,010.6
Compulsory Convertible Debentures*	6,080.6	(6,080.6)	-	-	-
Total	28,329.8	2,074.5	614.5	(29.4)	30,989.4

* During the previous year 2019-20 , in accordance with the shareholder's resolution, the terms and conditions of the Compulsory Convertible Debentures have been modified. Accordingly, the Compulsory Convertible Debenture were made Optionally Convertible Redeemable Debentures . Subsequently, the said Optionally Convertible Redeemable Debentures have been redeemed.

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Notes to Special Purpose Combined Statement of Cash Flows:
1. The Statement of Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 "Statement of Cash Flows".
2. Previous year figures are regrouped / reclassified wherever necessary to correspond with the current years classification / disclosure..

The accompanying notes forming integral part of the Special Purpose Combined Financial Statements.
As per our attached report of even date

For Dharmesh Parikh & Co. LLP
Chartered Accountants
Firm Registration Number : 112054W/W100725

Chirag J Shah

DHARMESH PARIKH & CO LLP
FRN
112054W /
W100725
Chartered Accountants

CHIRAG SHAH
Partner
Membership No. 122510

Place : Ahmedabad
Date : 1st June, 2021

For and on behalf of the Board of Directors of
ADANI TRANSMISSION LIMITED

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 1st June, 2021

Adani Transmission Limited

1 **Corporate information**

Adani Transmission Limited is a public limited Company incorporated and domiciled in India. It's ultimate holding entity is S. B. Adani Family Trust (SBAFT). having its registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad - 382421.

USSP Pool is consist of seven Companies 100% subsidiary of Adani Transmission Limited (together referred to as "The Group"):

(i) Sipat Transmission Limited (STL)
(ii) Raipur-Rajnandgaon-Warora Transmission Limited (RRWTL)
(iii) Chhattisgarh-WR Transmission Limited (CWRTL)
(iv) Adani Transmission (Rajasthan) Limited (ATRL)*
(v) Hadoti Power Transmission Service Limited (HPTSL)
(vi) Barmer Power Transmission Service Limited (BPTSL)
(vii) Thar Power Transmission Service Limited (TPTSL)

* Adani Transmission (Rajasthan) Limited (ATRL) has entered into a contract (Transmission Service Agreement) with Rajasthan Rajya Vidyut Prasaran Nigam Limited (RRVPNL) providing for the issue and allotment of one non-transferable equity share of ATRL (the "Golden Share") in favour of the RRVPNL.

The Group is incorporated for doing the business of establishing commissioning, setting up, operating and maintaining electric power transmission systems/ networks, power systems, generating stations based on conventional /non conventional resources for evacuation , transmission , distribution or supply of power through establishing or using stations, tie-lines , sub-stations and transmission or distributions lines.

ATRL is under Service Concession Agreement with Rajasthan Rajya Vidyut Prasaran Nigam Limited (RRVPNL). Jaipur, Rajasthan, a public Sector Undertaking under the control of Government of Rajasthan to construct & operate an transmission system comprising a 400 KV Double Circuit transmission Line from Suratgarh to Bikaner with a design capacity to transfer electricity equivalent to 1066 MW on Design, Built, Finance, Operate & Transfer (DBFOT) basis in accordance with the terms and conditions to be set forth in a transmission agreement to be entered into under and in accordance with the provisions of the Electricity Act, 2003.

The Group is providing transmission services in India spreading across Rajasthan, Maharashtra, Chhattishgarh and Madhya Pradesh.

2 **Significant accounting policies**

a **Purpose of the Special Purpose Combined Financial Information**

The Special Purpose Combined Financial Information have been prepared for the purpose of lenders requirement in relation to already issued USD denominated notes by The Group. The Special Purpose Combined Financial Information presented herein reflect The Group's results of operations, assets and liabilities and cash flows as at and for the year ended 31st March, 2021 and 31st March, 2020. The basis of preparation and Significant accounting policies used in preparation of these Special Purpose Combined Financial Information are set out in notes below.

b **Basis of Preparation and Presentation of Special Purpose Combined Financial Information**

The Special Purpose Combined Financial Information of The Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 amended from time to time 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).

Management has prepared these Special Purpose Combined Financial Information to depict the historical financial information of the Group. The Special Purpose Combined Financial Information 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 Special Purpose Combined Financial information of the combining entities is similar to that of consolidated financial statements as per the applicable Indian Accounting Standards. Accordingly, when combined financial information are prepared, intra-group transactions and profits or losses are eliminated. The information presented in the Special Purpose Combined financial information of The Group may not be representative of the position which may prevail after the transaction. The resulting financial position may not be that which might have existed if the combining business had been a stand-alone business.

Net parent investment disclosed in the Special Purpose Combined Financial Information is not the legal capital and Other equity of The Group and is the aggregation of the Share Capital and Other equity of each of the entities with in the Group.

The following procedure is followed for the preparation of the Special Purpose Combined Financial Information:

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

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

Earnings Per Share have not been presented in these Special Purpose Combined Financial Information, as The Group did not meet the applicability criteria as specified under Ind AS 33 – Earnings Per Share.

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

The Function currency of The Group is Indian Rupee (₹). The Special Purpose Combined Financial Information are presented in ₹ and all values are rounded to the nearest Million (Transactions below ₹ 5,000.00 denoted as ₹ 0.0 Million), unless otherwise indicated.

Ind AS 1 'Presentation of financial statements' requires that while preparing and presenting general purpose financial statements an entity should disclose comparative information in respect of the previous period for all amounts reported in the current period's financial statements.

c **Current versus non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle; or
- Held primarily for the purpose of trading; or
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

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.

d **Foreign Currency Transactions**

i) Initial Recognition :

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

ii) Conversion :

At the period-end, monetary items denominated in foreign currencies, if any, are converted into rupee equivalents at exchange rate prevailing on the balance sheet date.

iii) Exchange Differences :

All exchange differences arising on settlement and conversion of foreign currency transaction are included in the Statement of Profit and Loss.

e **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

> In the principal market for the asset or liability, or

> In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by The Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Special Purpose Combined Financial Information are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

> Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

> Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

> Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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For assets and liabilities that are recognized in the Special Purpose Combined Financial Information on a recurring basis, The Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

At each reporting date, The Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per The Group's accounting policies. For this analysis, The Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, The Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

f Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which The Group expects to be entitled in exchange for those goods or services.

i) Income from Transmission of Power:

Revenue are recognised immediately when the service is provided.

Transmission income is accounted for based on tariff orders notified by respective regulatory authorities.

The transmission system incentive / disincentive is accounted for based on certification of availability by respective Regional Power Committee.

ii) Service concession arrangements (SCA) :

With respect to SCA, revenue and costs are allocated between those relating to construction services and those relating to operation and maintenance services, and are accounted for separately. Consideration received or receivable is allocated by reference to the relative fair value of services delivered when the amounts are separately identifiable. The infrastructure used in a concession are classified as an intangible asset or a financial asset, depending on the nature of the payment entitlements established in the SCA. When the amount of consideration under the arrangement for the provision of public services is substantially fixed by a contract, The Group recognizes the consideration for construction services at its fair value as a financial asset and is classified as "financial asset under service concession arrangements". When the demand risk is with The Group, then, to the extent that The Group has a right to charge the user of infrastructure facility, The Group recognizes the consideration for construction services at its fair value, as an intangible asset. The Group accounts for such intangible asset in accordance with the provisions of Ind AS 38. When the amount of consideration under the arrangement comprises

- fixed charges based on Annual Capacity and
- variable charges based on Actual utilisation of capacity

then, The Group recognizes the consideration for construction services at its fair value, as the "financial asset under service concession arrangement" to the extent present value of fixed payment to be received discounted at incremental borrowing rate and the residual portion is recognized as an intangible asset.

(a) Infrastructure is under project phase, the treatment of income is as follows:

Revenues relating to construction contracts which are entered into with government authorities for the construction of the infrastructure necessary for the provision of services are measured at the fair value of the consideration received or receivable. Revenue from service concession arrangements is recognised based on the fair value of construction work performed at the reporting date.

(b) Infrastructure is in operation, the treatment of income is as follows:

Finance income over financial asset after consideration of fixed transmission charges is recognized using effective interest method. Variable transmission charges revenue is recognized in the period when the service is provided. Revenues relating to construction contracts which are entered into with government authorities for the construction of the infrastructure necessary for the provision of services are measured at the fair value of the consideration received or receivable. Revenue from service concession arrangements is recognised based on the fair value of construction work performed at the reporting date.

iii) Interest income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to The Group and amount of the income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate the exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

g Taxes on Income

Tax on Income comprises current tax and deferred tax. These are recognised in the statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

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i) Current Taxation

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations for which applicable tax regulations are subject to interpretation and revises the provisions where appropriate.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that The Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which The Group recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. 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."

ii) Deferred Taxation

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax includes Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which The Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities

h Property, plant and equipment (PPE)

Property, plant and equipment are stated at original cost grossed up with the amount of tax / duty benefits availed, less accumulated depreciation and accumulated impairment losses, if any. Properties in the course of construction are carried at cost, less any recognised impairment losses. All costs, including borrowing costs incurred up to the date the asset is ready for its intended use, is capitalised along with respective asset.

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Subsequent additions to the assets after capitalization are accounted for at cost. Cost includes purchase price (net of trade discount & rebates) and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with Ind AS 23. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Depreciation is recognised based on the cost of assets (other than freehold land) less their residual values (Considering a salvage value of 5%) over their useful lives, using the straight-line method. The useful life of property, plant and equipment is considered based on life prescribed in schedule II to the Companies Act, 2013. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis

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.

Estimated useful lives of assets are as follows:-

Type of Assets	Useful lives
Building	25-35 Years
Plant and Equipment	25-35 Years
Furniture and Fixtures	10 Years
Office Equipment	5 Years
Computer Hardware	5 Years
Vehicle	15 Years
Computer Software	3 Years

i Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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.

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j **Inventories**

i) Stores and spares are valued at cost. Cost is determined on Weighted Average basis.

ii) Costs includes all non refundable duties and all charges incurred in bringing the goods to the their present location and condition.

k **Impairment of non-financial assets**

The carrying amount of assets, other than inventories, is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

The impairment loss is recognised whenever the carrying amount of an asset or its cash generation unit exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in the uses which is determined based on the estimated future cash flow discounted to their present values. All impairment losses are recognised in the Statement of Profit and Loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and is recognised in the Statement of Profit and Loss.

l **Employee benefits**

i) Defined benefit plans

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees through ATL (The holding entity) Gratuity Scheme of Life Insurance Corporation of India. The Group accounts for the liability for the gratuity benefits payable in future based on an independent actuarial valuation carried out using Projected Unit Credit Method considering discounting rate relevant to Government Securities at the Balance Sheet Date.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in the statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs
- Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements; and

- Net interest expense or income.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Defined benefit costs in the nature of current and past service cost and net interest expense or income are recognized in the statement of profit and loss in the period in which they occur. Actuarial gains and losses on remeasurement is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur and is reflected immediately in retained earnings and not reclassified to profit or loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment.

ii) Defined contribution plan:

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

iii) Compensated Absences:

Provision for Compensated Absences and its classifications between current and non-current liabilities are based on independent actuarial valuation. The actuarial valuation is done as per the projected unit credit method as at the reporting date.

iv) Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

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m **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 initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a The Group entity are recognised at the proceeds received, net of direct issue costs.

(A) Financial assets

All financial assets, except investment in subsidiaries are recognised initially at fair value.

The measurement of financial assets depends on their classification, as described below:

1) At amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met :

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to The Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

2) At Fair Value through Other Comprehensive Income (FVTOCI)

A financial asset is classified as at the FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI) and on derecognition , cumulative gain or loss previously recognised in OCI is reclassified to statement of profit and loss. For equity instruments, The Group may make an irrevocable election to present subsequent changes in the fair value in OCI. If The Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment.

3) At Fair Value through Profit & Loss (FVTPL)

FVTPL is a residual category for debt instruments and default category for equity instruments. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

In addition, The Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Derecognition

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

The Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure. The Group follows 'Simplified Approach' for recognition of impairment loss allowance on all trade receivables or contractual receivables.

Under the simplified approach The Group does not track changes in credit risk, but it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ECL is the difference between all contracted cash flows that are due to The Group in accordance with the contract and all the cash flows that The Group expects to receive, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / (expense) in the statement of profit and loss.

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(B) Financial liabilities

Financial liabilities are classified, at initial recognition as at amortised cost or fair value through profit or loss. The measurement of financial liabilities depends on their classification, as described below:

At amortised cost

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the 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.

At fair value through profit or loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as such. Subsequently, any changes in fair value are recognised in the statement of profit or loss.

Derecognition of Financial Liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

n Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

In order to hedge its exposure to foreign exchange and interest rate risks, The Group enters into forward contracts, Principle only Swaps (POS) and other derivative financial instruments. The Group does not hold derivative financial instruments for speculative purposes.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the statement of profit and loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

• Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.

• Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting.

The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the statement of profit and loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in statement of profit and loss.

Hedge accounting is discontinued when the Group revokes the hedge relationship, the hedging instrument or hedged item expires or is sold, terminated, or exercised or no longer meets the criteria for hedge accounting.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

Amounts recognised in OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

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o Cash & Cash Equivalents (for purpose of cash flow statement)

Cash comprises cash on hand and demand deposit with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of creation)

p Cash Flow Statement

Cash flows are reported using indirect method, whereby profit/ (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of The Group are segregated based on the available information.

q Provision, Contingent Liabilities and Contingent Assets

Provision are recognised for when The Group has at present, legal or contractual obligation as a result of past events, only if it is probable that an outflow of resources embodying economic outgo or loss will be required and if the amount involved can be measured reliably.

Contingent liabilities being a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more future events not wholly in control of The Group are not recognised in the accounts. The nature of such liabilities and an estimate of its financial effect are disclosed in notes to the Special Purpose Combined Financial Information.

Contingent assets are neither recognised nor disclosed in the Special Purpose Combined Financial Information.

r Assets covered under Service Concession Arrangement

The Company manages service concession arrangements which include the construction of transmission lines followed by a period in which the Company maintains and services the infrastructure. This may also include, in a secondary period, asset replacement or refurbishment. These concession arrangements set out rights and obligations related to the infrastructure and the service to be provided. Under Appendix C to Ind AS 115 – "Service Concession Arrangements", these arrangements are accounted for based on the nature of the consideration. For fulfilling the obligations under SCA, the Company is entitled to receive either cash or another financial asset from the grantor or a contractual right to charge the users of the service. The financial model is used when the Company has an unconditional right to receive cash or another financial asset from or at the direction of the grantor for the construction services. Consideration so received or receivable is allocated by reference to the relative fair values of the services provided. Thus Revenue from the concession arrangements earned under the financial asset model consists of the (i) fair value of the amount due from the grantor; and (ii) interest income related to the capital investment in the project.

s 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.

For these short-term and low value leases, the lease payments associated with these leases as an expense in the statement of Profit and Loss on a straight-line basis over the lease term.

Lease term is a non-cancellable period together with periods covered by an option to extend the lease if The 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.

t Recent Pronouncements for Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. In the current year, the below amendments to Ind ASs were effective for an annual period that begins on or after 1 April 2021 and the impact of the amendments on the financial statements is as under :

Impact of the initial application of new and amended Ind ASs that are effective for the current year

In the current year, the below amendments to Ind ASs were effective for an annual period that begins on or after 1 April, 2021 and the impact of the amendments on the financial statements is as under :

Definition of a Business – Amendments to Ind AS 103

- The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. This amendment will likely result in more acquisitions being accounted for as asset acquisitions, however during the year this amendment had no impact on the financial statements of the Group..

Definition of Material – Amendments to Ind AS 1 and Ind AS 8

- Amendments have been made to Ind AS 1 Presentation of Financial Statements and Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout Ind AS and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in Ind AS 1 about immaterial information. In particular, the amendments clarify:

a). that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and

b) the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

The adoption of the amendment has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Interest Rate Benchmark Reform – Amendments to Ind AS 107, Ind AS 109 and Ind AS 39

The amendments made to Ind AS 107 Financial Instruments: Disclosures and Ind AS 109 Financial Instruments provide certain reliefs in relation to interest rate benchmark reforms. The reliefs relate to hedge accounting and have the effect that the reforms should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement.

The Group has not taken the benefit of the amendment.

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u Estimates, Judgments and Assumptions

The preparation of The Group's Ind AS Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the Special Purpose Combined Financial Information were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of The Group. Such changes are reflected in the assumptions when they occur.

i) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that The Group is not yet committed to or significant future investments that will enhance the asset's performance being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by The Group.

ii) Taxes

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the credits can be utilised. Significant management judgment 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.

iii) Defined benefit plans (gratuity benefits)

The Group based its assumptions and estimates on parameters available when the Special Purpose Combined Financial Information were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of The Group Such changes are reflected in the assumptions when they occur.

iv) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

v) Property, plant and equipment

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

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3.1. Property, Plant and Equipment

(₹ in Million)

Description of Assets	Tangible Assets							
	Land (Free hold)	Building	Plant & Equipment	Furniture and Fixtures	Office Equipments	Computer Equipment	Vehicles	Total
I. Cost or Deemed Cost								
Balances as at 1st April, 2019	188.1	207.7	26,322.0	4.7	0.3	-	-	26,722.8
Additions during the Year	-	0.0	3,264.4	0.2	2.1	-	-	3,266.7
Balances as at 31st March,2020	188.1	207.7	29,586.4	4.9	2.4	-	-	29,989.5
Additions during the Year	-	-	159.2	0.2	1.8	2.5	1.1	164.8
Balances as at 31st March , 2021	188.1	207.7	29,745.6	5.1	4.2	2.5	1.1	30,154.3
II. Accumulated depreciation								
Balances as at 1st April, 2019	-	3.5	179.6	0.2	0.1	-	-	183.4
Depreciation for the year	-	12.2	762.7	0.4	0.1	-	-	775.4
Balances as at 31st March,2020	-	15.7	942.3	0.6	0.2	-	-	958.8
Depreciation for the year	-	12.2	807.9	0.5	0.6	0.2	0.0	821.4
Balances as at 31st March , 2021	-	27.9	1,750.2	1.1	0.8	0.2	0.0	1,780.2

Description of Assets	Land (Free hold)	Building	Plant & Equipment	Furniture and Fixtures	Office Equipments	Computer Equipment	Vehicles	Total
Carrying Amount :								
As at 1st April, 2019	188.1	204.2	26,142.4	4.5	0.2	-	-	26,539.4
As at 31st March, 2020	188.1	192.0	28,644.1	4.3	2.2	-	-	29,030.7
As at 31st March , 2021	188.1	179.8	27,995.4	4.0	3.4	2.3	1.1	28,374.1

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3.2 Capital Work-In-Progress

(₹ in Million)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening balance	23.2	2,661.2
Expenditure incurred during the year	332.0	623.1
Capital Inventory	13.8	5.6
Less: Capitalized during the year	(164.8)	(3,266.7)
Closing Balance	204.2	23.2

3.3. Intangible Assets

(₹ in Million)

Description of Assets	Computer Software	Total
I. Gross carrying value		
Balance as at 1st April, 2020	-	-
Additions during the year	0.5	0.5
Disposals during the year	-	-
Balances as at 31st March, 2021	0.5	0.5
II. Accumulated Amortisation		
As at 1st April 2020	-	-
Amortisation Charge during the year	0.1	0.1
Eliminated on disposal of asset during the year	-	-
Balances as at 31st March, 2021	0.1	0.1
Net Carrying Value as at 1st April, 2020	-	-
Net Carrying Value as at 31st March, 2021	0.4	0.4

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4	Loans (Unsecured, Considered Good)		As at 31st March, 2021 (₹ in Million)	As at 31st March, 2020 (₹ in Million)
	Loans		108.8	-
		Total	108.8	-

5	Non-current Financial Assets- Others		As at 31st March, 2021 (₹ in Million)	As at 31st March, 2020 (₹ in Million)
	SCA Receivables (Refer note below)		1,280.5	1,295.1
	Security deposit		4.8	4.9
	Balances held as Margin Money or security against borrowings		1,303.8	0.1
		Total	2,589.1	1,300.1

The company has classified the Arrangement as Financial Assets and has disclosed " SCA Receivables", being amount due from the Grantor. The amount due from the grantor comprises of Fair value (FV) of the cost incurred in relation to the project measured at cost incurred excluding the borrowing cost plus current estimates of margin, (being management estimate of FV of cost incurred), net of grant received from the Department of Economic Affairs, Ministry of Finance and Finance Income. Finance Income is measured based on estimated project cash flows and Receivables net of grant received and receivable from the Department of Economic Affairs, Ministry of Finance, reviewed for any change in project cash flows, annually or on occurrence of any event requiring such adjustment. Both Receivables and Finance Income are reviewed annually or on occurrence of any event requiring such adjustment for any change in cashflows.
The significant accounting policies, including the criteria for recognition, the basis of measurement and on which income and expenses are recognized, in respect of each class of financial asset are detailed in note 2 (f) of these financial statements.

6	Income Tax Assets (Net)		As at 31st March, 2021 (₹ in Million)	As at 31st March, 2020 (₹ in Million)
	Income Tax Assets (Net)		367.4	18.8
		Total	367.4	18.8

7	Other Non-current Assets		As at 31st March, 2021 (₹ in Million)	As at 31st March, 2020 (₹ in Million)
	Capital advances		1,128.0	1,294.1
		Total	1,128.0	1,294.1

8	Inventories (At lower of Cost and Net Realisable Value)		As at 31st March, 2021 (₹ in Million)	As at 31st March, 2020 (₹ in Million)
	Stores & spares		8.3	1.9
		Total	8.3	1.9

9	Current Financial Assets - Investments	Face value of ₹ unless otherwise specified	No.of units	As at 31st March, 2021 (₹ in Million)	As at 31st March, 2020 (₹ in Million)
	Investment in Mutual Funds units at FVTPL (Unquoted)				
	ICICI Prudential Overnight Fund Direct Plan	100	4,49,882.43 (P.Y.- 64,967.31)	49.9	7.0
	ICICI Prudential Liquid Fund Direct Growth	1000	Nil (P.Y. 1,301.26)	-	0.4
	Kotak Overnight Fund Direct-Growth	1000	2,49,943.92 (P.Y. - Nil)	274.4	-
	HDFC Overnight Fund- Direct plan-Growth	1000	15,709.09 (P.Y. - Nil)	48.0	-
	SBI Overnight Fund Direct Growth	1000	49,556.26 (P.Y. - Nil)	166.1	-
	Nippon India Overnight Fund -Direct Growth	100	9,46,761.21 (P.Y. - Nil)	104.6	-
	Edelweiss Overnight Fund Direct Plan Growth	1000	11,893.46 (P.Y. - Nil)	12.7	-
	UTI Overnight Fund-Direct Growth Plan	1000	70,013.43 (P.Y. - Nil)	197.3	-
	Axis Overnight Fund - Direct growth Plan	1000	2,15,332.72 (P.Y. - Nil)	234.3	-
			Total	1,087.3	7.4
	Aggregate book value of un-quoted investments			1,087.3	7.4
	Aggregate market value of un-quoted investments			1,087.3	7.4

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10 Trade Receivables

		As at 31st March, 2021 (₹ in Million)	As at 31st March, 2020 (₹ in Million)
Unsecured considered good			
- Considered Good		687.9	1,046.4
		687.9	1,046.4
Impairment allowance (Allowance for bad & doubtful debts)			
Less : Expected Credit Loss		-	-
	Total	687.9	1,046.4

Trade receivables		As at 31st March, 2021 (₹ in Million)	As at 31st March, 2020 (₹ in Million)
Age of Receivables			
Within the Credit Period		595.6	863.9
Above the Credit Period		92.3	182.5
	Total	687.9	1,046.4

Note:
Regulator approved tariff is receivable from long-term transmission customers (LTTCs) that are highly rated companies or government parties. Counterparty credit risk with respect to these receivables is very minimal.

11 Cash and Cash Equivalents

		As at 31st March, 2021 (₹ in Million)	As at 31st March, 2020 (₹ in Million)
Balances with banks			
In current accounts		224.7	528.8
Fixed Deposits (with original maturity of three months or less)		35.8	-
	Total	260.5	528.8

12 Bank Balance other than Cash and Cash Equivalents

		As at 31st March, 2021 (₹ in Million)	As at 31st March, 2020 (₹ in Million)
Fixed Deposit - Margin Money (Lodged against Debt Service Reserve Account)		1.2	1,271.4
Fixed Deposits (with original maturity of more than three months)		99.7	-
	Total	100.9	1,271.4

13 Current Financial Assets - Loans
(Unsecured, considered good)

		As at 31st March, 2021 (₹ in Million)	As at 31st March, 2020 (₹ in Million)
Loans to employees		0.0	-
	Total	0.0	-

14 Current Financial Assets - Others

		As at 31st March, 2021 (₹ in Million)	As at 31st March, 2020 (₹ in Million)
Interest receivable		1.0	-
Unbilled Revenue		605.8	609.3
Financial Asset Under Service Concession Arrangement (SCA)		14.6	14.5
Security deposit		3.3	3.2
Derivative instruments designated in hedge accounting relationship		0.8	526.3
Other Receivables		89.1	231.0
	Total	714.6	1,384.3

15 Other Current Assets

		As at 31st March, 2021 (₹ in Million)	As at 31st March, 2020 (₹ in Million)
Advance to Suppliers		10.1	25.0
Balances with Government authorities		44.3	39.5
Prepaid Expenses		6.6	6.5
Advance to Employees		0.0	0.4
	Total	61.0	71.4

16 Net Parent Investment

		As at 31st March, 2021 (₹ in Million)	As at 31st March, 2020 (₹ in Million)
Opening Net Parent Investment		4,073.8	8,571.4
Instrument entirely equity in nature issued / (redeemed) for the year		-	(6,080.6)
Profit for the year (after tax)		1,837.2	1,650.2
Other Comprehensive Income arising from remeasurement of Defined Benefit Plans		0.0	-
Other Comprehensive Income for the year (after tax)		(541.3)	(67.2)
Closing Net Parent Investment	Total	5,369.7	4,073.8

Net Parent Investment represents the aggregate amount of share capital, Instrument entirely equity in nature and other equity of the Group entities for the year ended and does not necessarily represent legal share capital for the purpose of the Group.

(Transactions below ₹ 5000.00 denoted as ₹ 0.0 Million)

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16.1 Other Equity

		As at 31st March, 2021 (₹ in Million)	As at 31st March, 2020 (₹ in Million)
a. Surplus in the Statement of Profit and Loss			
Opening Balance		1,775.0	124.8
Add : Profit for the year		1,837.2	1,650.2
Add : Other Comprehensive Income arising from remeasurement of Defined Benefit Plans		0.0	-
	Total (a)	3,612.2	1,775.0
b. Effective portion of cashflow Hedge			
Hedge Reserve			
Opening Balance		(67.2)	-
Add/ (Less) : Reduction on account of cash flow hedge		(718.4)	(94.8)
Add/ (Less) : Tax Relating to cash flow hedge		177.1	27.6
	Total (b)	(608.5)	(67.2)
	Total (a+b)	3,003.7	1,707.8

Note :

a) ***Retained Earnings*** : Retained earnings represents the amount that can be distributed by the Group to its shareholders as dividends considering the requirements of the Companies' Act, 2013.

b) ***Hedge Reserve*** : The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

17 Non current Financial Liabilities - Borrowings

	Non-current		Current	
	As at 31st March, 2021 (₹ in Million)	As at 31st March, 2020 (₹ in Million)	As at 31st March, 2021 (₹ in Million)	As at 31st March, 2020 (₹ in Million)
5.20% US Private Placement Notes	27,228.1	29,099.7	847.4	879.2
Unsecured borrowings				
From Related Parties (Refer Note 42)	140.8	-	-	-
Total	27,368.9	29,099.7	847.4	879.2
Less: Amount disclosed under the head Current financial liabilities-Others (Refer Note 23)			(847.4)	(879.2)
Total	27,368.9	29,099.7	-	-

Notes

Borrowing	Security	Terms of Repayment
USD Denominated Notes	These Notes are secured/to be secured by first ranking charge on receivables of the company, on all immovable and movable assets, charge or assignment of rights under Transmission Service Agreement and other project documents, charge or assignment of rights and/or designation of the Security Trustee as loss payee under each insurance contract in respect of Project. These notes have been hedged using various hedging instruments.The Notes are also secured by way of pledge over 100% of shares of the company held by Adani Transmission Limited	5.20%, 388.2 Million (P.Y. 400 Million) USD Denominated Notes aggregating ₹ 28,231.3 Millions, (P.Y. ₹ 30,266.0 Millions) which has a semi-annual repayment schedule with first repayment in the month of Sep-2020 and semi-annually then after over the period of its tenor ending March-2050.
Inter Corporate Loan	Unsecured	Inter-corporate loan from Holding company of ₹ 140.8 Millions (As at 31st March, 2020: ₹ Nil) are unsecured and carries interest at the rate of 11 % p.a., repayable as per terms of agreement

18 Non Current Financial Liabilities - Others

		As at 31st March, 2021 (₹ in Million)	As at 31st March, 2020 (₹ in Million)
Retention Money		49.6	213.0
Interest accrued but not due on long term borrowings		114.9	-
Derivative instruments designated in hedge accounting relationship		822.2	-
	Total	986.7	213.0

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19 Provisions

	Non-Current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
	(₹ in Million)	(₹ in Million)	(₹ in Million)	(₹ in Million)
Provision for Employee Benefits				
- Gratuity (Refer Note 35)	1.0	0.2	0.0	0.8
- Leave Encashment	0.9	0.2	0.3	1.2
Total	1.9	0.4	0.3	2.0

20 Deferred Tax Liabilities (net)

	As at 31st March, 2021 (₹ in Million)	As at 31st March, 2020 (₹ in Million)
Deferred Tax Liabilities		
Timing difference between book and tax depreciation	923.6	723.7
Less:- Mat Credit entitlement	-	(500.8)
Net deferred tax liabilities Total	923.6	222.9

Deferred Tax relates to following:

Particulars	As at 31st March, 2021 (₹ in Million)	As at 31st March, 2020 (₹ in Million)
Deferred Tax Liabilities		
Difference between book base and tax base of property, plant and equipments/SCA Receivables	(2,282.2)	(3,324.4)
M2M Gain on Mutual Funds	(0.7)	(0.3)
Gross Deferred Tax Liabilities (a)	(2,282.9)	(3,324.7)
Deferred Tax Assets		
Hedge Reserve - OCI	204.7	27.6
Unabsorbed Depreciation	1,154.6	2,573.4
Gross Deferred Tax Assets (b)	1,359.3	2,601.0
MAT Credit Entitlement (c)	-	(500.8)
Net Deferred Tax Liabilities (a+b-c)	(923.6)	(222.9)

(a) Movement in deferred tax liablitles (net) for the Financial Year 2020-21

(₹ in Million)

Particulars	Opening Balance as at 1st April, 2020	Recognised in profit and loss	Recognised in OCI	Closing Balance as at 31st March, 2021
Tax effect of items constituting deferred tax liabilities:				
Difference between book base and tax base of property, plant and equipment/SCA Receivables	(3,324.4)	1,042.2	-	(2,282.2)
M2M gain on Mutual Funds	(0.3)	(0.4)	-	(0.7)
Total (a)	(3,324.7)	1,041.8	-	(2,282.9)
Tax effect of items constituting deferred tax assets:				
Hedge Reserve-OCI	27.6	-	177.1	204.7
Unabsorbed Depreciation	2,573.4	(1,418.8)	-	1,154.6
Total (b)	2,601.0	(1,418.8)	177.1	1,359.3
MAT Credit Entitlement (c)	500.8	(500.8)	-	-
Net Deferred Tax Asset/(Liabilities) (a+b+c)	(222.9)	(877.7)	177.1	(923.6)

(b) Movement in deferred tax liabilities (net) for the Financial Year 2019-20

(₹ in Million)

Particulars	Opening Balance as at 1st April, 2019	Recognised in profit and loss	Recognised in OCI	Closing Balance as at 31st March, 2020
Tax effect of items constituting deferred tax liabilities:				
Difference between book base and tax base of property, plant and equipment	(354.1)	(2,970.3)	-	(3,324.4)
M2M gain on Mutual Funds	-	(0.3)	-	(0.3)
Total (a)	(354.1)	(2,970.6)	-	(3,324.7)
Tax effect of items constituting deferred tax assets:				
Hedge Reserve-OCI	-	-	27.6	27.6
M2M on Mutual Funds	-	0.0	-	0.0
Unabsorbed Depreciation	235.3	2,338.1	-	2,573.4
Total (b)	235.3	2,338.1	27.6	2,601.0
MAT Credit Entitlement (c)	102.3	398.5	-	500.8
Net Deferred Tax Asset/(Liabilities) (a+b+c)	(16.5)	(234.0)	27.6	(222.9)

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21 Current Financial Liabilities - Borrowings

	As at 31st March, 2021 (₹ in Million)	As at 31st March, 2020 (₹ in Million)
From Holding/Parent Company (Refer Note 42)	109.1	1,010.6
Total	109.1	1,010.6

Borrowing	Security	Terms of Repayment
Inter Corporate Loan	Unsecured	Inter-corporate loan from Holding company of ₹ 109.1 Millions (As at 31st March, 2020: ₹ 1010.6 Millions) are unsecured and carries interest at the rate of 11 % p.a., repayable as per terms of agreement

22 Trade Payables

	As at 31st March, 2021 (₹ in Million)	As at 31st March, 2020 (₹ in Million)
Trade Payables		
- Micro and Small Enterprises	2.0	3.0
- Other than Micro and Small Enterprises	107.2	304.5
Accrual for Employees	0.7	-
Total	109.9	307.5

23 Current Financial Liabilities - Others

	As at 31st March, 2021 (₹ in Million)	As at 31st March, 2020 (₹ in Million)
Current maturities of long-term borrowings (Secured) (Refer Note 17)	847.4	879.2
Interest accrued but not due on borrowings	69.8	258.4
Payable on purchase of Property, Plant and Equipment	24.3	73.9
Derivative Instruments designated in hedge accounting relationship	12.8	-
Security Deposit	-	0.0
Total	954.3	1,211.5

24 Other Current Liabilities

	As at 31st March, 2021 (₹ in Million)	As at 31st March, 2020 (₹ in Million)
Statutory liabilities	50.2	16.0
Other Payables	0.0	0.2
Total	50.2	16.2

25 Income Tax liabilities (Net)

	As at 31st March, 2021 (₹ in Million)	As at 31st March, 2020 (₹ in Million)
Current Tax	-	10.1
Total	-	10.1

(Transactions below ₹ 5000.00 denoted as ₹ 0.0 Million)

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26 Revenue from Operations

	For the Year ended 31st March, 2021 (₹ in Million)	For the year ended 31st March, 2020 (₹ in Million)
Income from transmission line	6,192.6	6,003.0
Income under Service Concession Arrangements (SCA) (Refer Note 40)	196.1	200.7
Total	6,388.7	6,203.7

Details of Revenue from Contract with Customer

Contract balances:

(a) The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers.

Particulars	For the Year ended 31st March, 2021 (₹ in Million)	For the year ended 31st March, 2020 (₹ in Million)
Trade receivables (Refer Note 10)	687.9	1,046.4
Contract assets (Refer Note 14)	605.8	609.3
Contract liabilities	-	-

The contract assets primarily relate to the Group's right to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the Customer. The contract liabilities primarily relate to the advance consideration received from the customers.

(b) Reconciliation the amount of revenue recognised in the statement of profit and loss with the contracted price:

Particulars	For the Year ended 31st March, 2021 (₹ in Million)	For the year ended 31st March, 2020 (₹ in Million)
Revenue as per contracted price	6,262.2	6,071.1
Adjustments		
Discounts	69.6	68.1
Revenue from contract with customers	6,192.6	6,003.0

27 Other Income

	For the Year ended 31st March, 2021 (₹ in Million)	For the year ended 31st March, 2020 (₹ in Million)
Interest Income		
- Bank	39.0	-
- Others	14.2	3.1
Other Operating Income	5.2	0.2
Gain on Sale/Fair Value of Current Investments measured at FVTPL	26.9	38.9
Sale of Scrap	0.8	0.7
Miscellaneous Income	3.2	1.0
Total	89.3	43.9

28 Operating expenses

	For the Year ended 31st March, 2021 (₹ in Million)	For the year ended 31st March, 2020 (₹ in Million)
Maintenance of Transmission Line	176.0	159.3
Other Operating Expenses	15.0	10.9
Total	191.0	170.2

29 Employee Benefits Expense

	For the Year ended 31st March, 2021 (₹ in Million)	For the year ended 31st March, 2020 (₹ in Million)
Salaries, Wages and Bonus	21.7	13.3
Contribution to Provident and Other Funds	1.6	0.9
Staff Welfare Expenses	0.5	0.2
Total	23.8	14.4

30 Finance costs

	For the Year ended 31st March, 2021 (₹ in Million)	For the year ended 31st March, 2020 (₹ in Million)
Interest Expenses	1,565.2	2,262.5
Interest on Intercorporate Deposit	84.0	152.1
Interest on Lease Obligation	3.8	3.8
Bank Charges & Other Borrowing Costs	21.1	503.5
Loss on Derivatives Contracts & Exchange rate difference (net)	1,236.6	14.8
Total	2,910.7	2,936.7

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31 Other Expenses

	For the Year ended 31st March, 2021 (₹ in Million)	For the year ended 31st March, 2020 (₹ in Million)
Stores and Spares	0.8	0.2
Repairs and Maintenance -Building	0.1	0.2
Repairs and Maintenance - Others	0.0	0.0
Rent Expenses	0.9	0.9
Legal & Professional Expenses	24.0	28.9
Communication Expenses	10.8	4.4
Travelling & Conveyance Expenses	12.5	9.9
Insurance Expenses	6.0	8.9
Corporate Social Responsibility expenses (Refer Note 42)	17.4	2.5
Advertisement & Selling expense	0.0	0.4
Miscellaneous Expenses	15.3	4.7
Total	87.8	61.0

(Transactions below ₹ 5000.00 denoted as ₹ 0.0 Million)

32 Income Tax Expenses

	For the Year ended 31st March, 2021 (₹ in Million)	For the year ended 31st March, 2020 (₹ in Million)
Current Tax	114.3	398.5
Tax Adjustment relating to earlier periods	(393.2)	-
Deferred Tax	877.7	234.0
Total	598.8	632.5

Tax recognised in other comprehensive income

	For the Year ended 31st March, 2021 (₹ in Million)	For the year ended 31st March, 2020 (₹ in Million)
Remeasurement of Defined Benefit Plans		
Total income tax recognised in other comprehensive income	-	-
Effective portion of gains and losses on designated portion of hedging instruments in a cash flow hedge		
Tax relating to items that will be reclassified to Profit or Loss	177.1	27.6
Total	177.1	27.6

Bifurcation of the Income tax recognised in other comprehensive income into:		
Items that will be reclassified to statement of profit and loss	177.1	27.6
Items that will not be reclassified to statement of profit and loss	-	-
Total	177.1	27.6

Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate for March 31, 2021 and March 31, 2020

	For the Year ended 31st March, 2021 (₹ in Million)	For the year ended 31st March, 2020 (₹ in Million)
Accounting profit before tax	2,436.0	2,282.7
Income tax expense at tax rates applicable to individual entities	613.1	664.7
Tax Effect of :		
i) Impact of Deferred Tax due to change in tax rate	(80.5)	-
ii) Effect of change in tax rate	(97.3)	(12.1)
iii) Adjustments in respect of current income tax of previous year (due to transition to new tax regime)	(114.3)	-
iv) Reversal of MAT Credit of previous year	211.7	-
v) MAT Credit not recognised	-	8.2
vi) Others (Includes Tax at different rate)	66.1	(28.3)
Total	598.8	632.5

Tax provisions:		
Current tax for the year	114.3	398.5
Tax Adjustment relating to earlier periods	(393.2)	-
Relating to origination and reversal of temporary differences	877.7	234.0
Income tax recognised in the statement of profit and loss at effective rate — Total	598.8	632.5

Note:
On 20 September, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax @22% plus applicable surcharge and cess ("New tax rate"), effective from 01st April, 2019 subject to certain conditions. The Group has decided to avail the benefit provided under the above Ordinance.

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33 Contingent liabilities and Commitments

	As at 31st March, 2021 (₹ in Million)	As at 31st March, 2020 (₹ in Million)
(i) Contingent liabilities :		
Direct tax	0.2	0.2
Indirect tax - VAT and Entry Tax	120.0	70.7
	120.2	70.9
(ii) Commitments :		
Estimated amount of contracts remaining to be executed on capital account (net of capital advances)	88.4	121.2
	88.4	121.2

34 a) The details of foreign currency exposures those are not hedged by a derivative instrument or otherwise are as under:

Nature	Purpose	As at 31st March, 2021		As at 31st March, 2020	
		₹ in Million	Foreign Currency (USD in Million)	₹ in Million	Foreign Currency (USD in Million)
Principal Only Swaps	Hedging of foreign currency borrowing principal liability	28,381.3	388.2	23,456.2	310.0
Forwards	Hedging of foreign currency borrowing principal & interest liability	1,464.6	20.0	8,359.3	110.5

b) The Company has taken various derivatives to hedge its loans. The outstanding position of derivative instruments are as under:

Particulars	As at 31st March, 2021		As at 31st March,2020	
	₹ in Million	Foreign Currency (USD in Million)	₹ in Million	Foreign Currency (USD in Million)
Import Creditors and Acceptances	5.3	0.1	222.8	2.9

c) Foreign Currency Risk Sensitivity

A change of 1% in Foreign currency would have following impact on profit before tax

(₹ in Million)

Particulars	For the Year 2020-21		For the Year 2019-20	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Risk Sensitivity				
Rupee / USD - (Increase) / Decrease	(0.1)	0.1	(2.2)	2.2

35 Capital Management

The Group's objectives when managing capital is to safeguard continuity and healthy capital ratios is order to support its business and provide adequate return to share holders through continuing growth. The Group's overall strategy remains unchanged from previous year.

The Group sets the amount of capital required on the basis of annual business and long term operation plans which include capital and other strategic investment.

The funding requirement are met through a mixture of equity, internal fund generation and borrowing. The Group's policy is to use borrowing to meet anticipated funding requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended as at 31st March, 2021.

The Group monitors capital using gearing ratio, which is net debt (total debt less cash and bank balance)divided by total capital plus net debt.

(₹ in Million)

Particulars	Refer Note	31st March, 2021	31st March, 2020
Total Borrowings (Including current maturities of long term borrowings)	17, 21 & 23	28,325.4	30,989.4
Less: Cash and Bank Balances	11 & 12	361.4	1,800.2
Net Debt (A)		**27,964.0**	**29,189.2**
Total Equity (B)	16	5,369.7	4,073.8
Total Equity and Net Debt (C=A+B)		**33,333.7**	**33,263.0**
Gearing Ratio (A/C)		**0.84**	**0.88**

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36 As per Indian Accounting standard IND AS 19 "Employee Benefits", the disclosure as defined in the accounting standard are given below.

(a) Defined Benefit Plan

The Company operates a defined benefit plan (the Gratuity plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

Particulars	As at 31st March, 2021 (₹ in Million)	As at 31st March, 2020 (₹ in Million)
i. Reconciliation of Opening and Closing Balances of defined benefit obligation		
Present Value of Defined Benefit Obligations at the beginning of the year	1.0	-
Current Service Cost	0.3	-
Past Service Cost	-	-
Interest Cost	0.1	-
Re-measurement (or Actuarial) (gain) / loss arising from:		-
- Change in demographic assumptions	-	-
- Change in financials assumptions	-	-
- Experience variance (i.e. Actual experience vs. assumptions)	(0.0)	-
Liability Transfer In/(out)	(0.1)	-
Benefits paid	(0.3)	-
Net Actuarial loss / (gain) Recognised	-	-
Present Value of Defined Benefit Obligations at the end of the year	1.0	-
ii. Reconciliation of Opening and Closing Balances of the Fair value of Plan assets		
Fair Value of Plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial gain/(loss) on plan assets	-	-
Fair Value of Plan assets at the end of the year	-	-
iii. Reconciliation of the Present value of defined benefit obligation and Fair value of plan assets		
Present Value of Defined Benefit Obligations at the end of the year	1.0	-
Fair Value of Plan assets at the end of the Year	-	-
Net Asset / (Liability) recognized in balance sheet as at the end of the year	(1.0)	-
iv. Gratuity Cost for the Year		
Current service cost	0.3	-
Past Service Cost	-	-
Interest cost	0.1	-
Expected return on plan assets	-	-
Actuarial Gain / (Loss)	-	-
Net Gratuity cost Transferred to Profit & Loss	0.4	-
v. Other Comprehensive Income		
Actuarial (gains) / losses		
- Change in financial assumptions	-	-
- Experience variance (i.e. Actual experiences assumptions)	(0.0)	-
Components of defined benefit costs recognised in other comprehensive income	(0.0)	-
vi. Actuarial Assumptions		
Discount Rate (per annum)	6.70%	-
Annual Increase in Salary Cost	8.00%	-
Mortality Rates as given under Indian Assured Lives Mortality (2012-14) Ultimate	100%	-

vii. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

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Particulars	As at 31st March, 2021 (₹ in Million)	As at 31st March, 2020 (₹ in Million)
Defined Benefit Obligation (Base)	1.0	1.0

Particulars	As at 31st March, 2021 (₹ in Million)		As at 31st March, 2020 (₹ in Million)	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	1.2	0.9	-	-
(% change compared to base due to sensitivity)	12.29%	-10.39%	-	-
Salary Growth Rate (- / + 1%)	0.9	1.2	-	-
(% change compared to base due to sensitivity)	-10.36%	12.01%	-	-
Attrition Rate (- / + 50%)	1.1	1.0	-	-
(% change compared to base due to sensitivity)	5.79%	-4.69%	-	-
Mortality Rate (- / + 10%)	0.9	0.9	-	-
(% change compared to base due to sensitivity)	-11.48%	-11.56%	-	-

viii. Asset Liability Matching Strategies

Adani Transmission Limited ("The Holding Company") has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficient funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, Adani Transmission Limited is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

In respect of Present Value of Defined Benefit Obligations at the end of the year of ₹ 1.0 Million, the holding company viz, Adani Transmission Limited has purchased insurance policy having Fair Value of Plan assets at the end of the year of ₹ 14.1 Million to cover the obligation of the group and other the subsidiary companies controlled by the ultimate parent viz, Adani Transmission Limited.

Expected cash flows over the next (valued on undiscounted basis):	(₹ in Million)
1 year	0.0
2 to 5 years	0.3
6 to 10 years	0.3
More than 10 years	1.9

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The actuarial liability for leave encashment and compensated absences (including Sick Leave) as at the year ended 31st March 2021 is ₹ 1.2 Millions (As at 31st March'2020 ₹ Nil).

(b) Defined Contribution Plan

Contribution to Defined Contribution Plans, capitalised for the year is as under:

	As at 31st March, 2021 (₹ in Million)	As at 31st March, 2020 (₹ in Million)
Employer's Contribution to Provident Fund	1.2	0.8

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37 Fair Value Measurement :

a) The carrying value of financial instruments by categories as of 31st March, 2021 is as follows :

(₹ in Million)

Particulars	Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Total Carrying value in books	Fair value
Financial Assets					
Investments in mutual funds	-	1,087.3	-	1,087.3	1,087.3
Trade Receivables	-	-	687.9	687.9	687.9
Cash and Cash Equivalents	-	-	260.5	260.5	260.5
Bank Balances other than Cash and Cash Equivalents above	-	-	100.9	100.9	100.9
Derivative instruments designated in hedge accounting relationship	-	0.8	-	0.8	0.8
Loans	-	-	108.8	108.8	108.8
Other Financial Assets	-	-	3,302.9	3,302.9	3,302.9
Total	-	1,088.1	4,461.0	5,549.1	5,549.1
Financial Liabilities					
Borrowings (Including current maturities and interest accrued)	-	-	28,510.1	28,510.1	28,510.1
Derivative instruments designated in hedge accounting relationship	(718.4)	1,553.4	-	835.0	835.0
Other Financial Liabilities	-	-	73.8	73.8	73.8
Trade Payables	-	-	109.9	109.9	109.9
Total	(718.4)	1,553.4	28,693.8	29,528.8	29,528.8

b) The carrying value of financial instruments by categories as of 31st March, 2020 is as follows :

(₹ in Million)

Particulars	Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Total Carrying value in books	Fair value
Financial Assets					
Investments in mutual funds		7.4	-	7.4	7.4
Trade Receivables	-	-	1,046.4	1,046.4	1,046.4
Cash and Cash Equivalents	-	-	528.8	528.8	528.8
Bank Balances other than Cash and Cash Equivalents above	-	-	1,271.4	1,271.4	1,271.4
Derivative instruments designated in hedge accounting relationship	(67.2)	593.5		526.3	526.3
Other Financial Assets	-		2,158.1	2,158.1	2,158.1
Total	(67.2)	600.9	5,004.7	5,538.4	5,538.4
Financial Liabilities					
Borrowings (Including current maturities and interest accrued)	-	-	31,247.9	31,247.9	31,247.9
Other Financial Liabilities	-	-	286.9	286.9	286.9
Trade Payables	-	-	307.5	307.5	307.5
Total	-	-	31,842.3	31,842.3	31,842.3

Notes:

- The management assessed that the fair value of cash and cash equivalents, other balance with banks, trade receivables, loans, trade payables, other financial assets and liability approximate their carrying amount largely due to the short term maturities of these instruments.
- The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values.
- 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.
- Fair value of mutual funds are based on the price quotations near the reporting date.
- The Group enters into derivative financial instruments with various counterparties, principally banks and financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying currency. All derivative contracts are fully collateralized, thereby, eliminating both counterparty and the Group's own non-performance risk.

38 Fair Value hierarchy :

(₹ In Million)

Particulars	31st March, 2021	31st March, 2020
	Level 2	Level 2
Assets		
Loans	108.8	-
Investments in unquoted Mutual Funds measured at FVTPL	1,087.3	7.4
Derivative instruments designated in hedge accounting relationship	0.8	526.3
Total	1,196.9	533.7
Liabilities		
Derivative instruments designated in hedge accounting relationship	835.0	-
Borrowings (Including current maturities and interest accrued)	28,510.1	31,247.9
Total	29,345.1	31,247.9

- The fair value of Loans given is equivalent to amortised cost.
- Fair value of mutual funds are based on the price quotations near the reporting date.

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39 **Financial Risk Management Objectives**

The Group's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance The Group's operations/projects. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

In the ordinary course of business, The Group is mainly exposed to risks resulting from exchange rate fluctuation (currency risk), interest rate movements (interest rate risk) collectively referred as Market Risk, Credit Risk, Liquidity Risk and other price risks such as equity price risk. The Group's senior management oversees the management of these risks. It manages its exposure to these risks through derivative financial instruments by hedging transactions. It uses derivative instruments such as Principal only Swaps, Interest rate swaps, foreign currency future options and foreign currency forward contract to manage these risks. These derivative instruments reduce the impact of both favourable and unfavourable fluctuations.

The Group's risk management activities are subject to the management, direction and control of Central Treasury Team of the Group under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board of Directors of the Group. The Group's central treasury team ensures appropriate financial risk governance framework for The Group through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

The decision of whether and when to execute derivative financial instruments along with its tenure can vary from period to period depending on market conditions and the relative costs of the instruments. The tenure is linked to the timing of the underlying exposure, with the connection between the two being regularly monitored. The Group is exposed to losses in the event of non-performance by the counterparties to the derivative contracts. All derivative contracts are executed with counterparties that, in our judgment, are creditworthy. The outstanding derivatives are reviewed periodically to ensure that there is no inappropriate concentration of outstanding to any particular counterparty.

In the ordinary course of business, The Group is exposed to Interest rate risk, Credit risk, and Liquidity risk.

Interest rate risk

The Group is exposed to changes in market interest rates due to financing, investing and cash management activities. The Group's exposure to the risk of changes in market interest rates relates primarily to The Group's long-term debt obligations with floating interest rates and period of borrowings. However, during the year and as at period end the Group does not have any borrowings with floating interest rates. Hence, the Group is not exposed to any interest rate risk.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted the policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial losses from default, and generally does not obtain any collateral or other security on trade receivables.

The carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk.
Cash are held with creditworthy financial institutions.

Liquidity risk

The Group monitors its risk of shortage of funds using cash flow forecasting models. These models consider the maturity of its financial investments, committed funding and projected cash flows from operations. The Group's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner and to manage its capital structure. A balance between continuity of funding and flexibility is maintained through the use of various types of borrowings.

The table below shows analysis of derivative and non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in Million)

31st March, 2021	Less than 1 year	1-5 years	Over 5 years	Total
Borrowings (Including current maturities)*#	2,436.4	9,001.5	40,528.1	51,966.0
Derivative Financial Liabilities	12.8	822.2		835.0
Trade Payables	109.9	-	-	109.9
Other financial Liabilities**	94.0	164.5	-	258.5

(₹ in Million)

31st March, 2020	Less than 1 year	1-5 years	Over 5 years	Total
Borrowings (Including current maturities)*#	2,910.7	9,290.0	42,676.0	54,876.7
Trade Payables	307.5	-	-	307.5
Derivative Liabilities	-	-	-	-
Other financial Liabilities**	332.3	213.0	-	545.3

* Includes Non-current borrowings, current borrowings, current maturities of non-current borrowings, committed interest payments on borrowings.
** Includes both Non-current and current financial liabilities. Excludes current maturities of non-current borrowings.
# 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 Group. 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.

40 One Company "ATRL" has entered into transmission agreements in the nature of Service Concession Arrangements (SCA) with Rajasthan Rajya Vidyut Prasaran Nigam Limited (RVPNL)

(a) Agreement for maintaining transmission lines with RVPNL (Grantor) is to construct & operate an transmission system comprising:-

- 400 KV Double Circuit transmission line from Suratgarh to Bikaner with a design capacity to transfer electricity equivalent to 1066 MW on Design, Built, Finance, Operate & Transfer (DBFOT) basis having contract for 35 years from the license issued. Upon completion of concession period or on termination of agreement, Transmission Lines will vest with the grantor free and clear of all encumbrances. Financial assets is created on the basis of Present values of future Cash Flows. No intangible assets is created for this SCA accounting.

Financial summary of above concession arrangement are given below:

(₹ in Million)

Sr.No.	Particulars	2020-21	2019-20
1	SCA Revenue Recognised (Including Construction Revenue)	196.1	200.7
2	Profit after tax for the year	65.5	26.0

41 **Events occurring after the Balance sheet Date**

The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 1st June, 2021 , there are no subsequent events to be recognized or reported that are not already disclosed.

DHARMESH PARIKH & CO LLP FRN 112054W / W100725 Chartered Accountants

Adani Transmission Limited

42 Related party disclosures :

As per Ind AS 24. Disclosure of transaction with related parties are given below:

> Holding Company	Adani Transmission Limited
> Key Managerial Personnel (KMP)	Mr. Gautam S. Adani, Chairman Mr. Anil Sardana, Managing Director and Chief Executive Officer Mr. Kaushal Shah, Chief Financial Officer (Upto 2nd February, 2021) Mr. Jaladhi Shukla, Company Secretary Mr. K. Jairaj - Non Executive Director Ms. Meera Shankar - Non Executive Director Dr. Ravindra H. Dholakia - Non Executive Director
> Fellow Subsidiaries	Ghatampur Transmission Limited North Karanpura Transco Limited Adani Transmission (India) Limited Maharashtra Eastern Grid Power Transmission Company Limited Jam Khambaliya Transco Limited Aravali Transmission Service Company Limited. Maru Transmission Service Company Limited.
> Entities under Common Control with whom there are transactions during the year (Other Parties)	Adani Infra (India) Limited Raipur Energen Limited Adani Power Maharashtra Limited Adani Foundation Adani Infrastructure Management Service Limited Adani Enterprise Limited Mundra Solar PV Limited

Note:

The names of the related parties and nature of the relationships where control exists are disclosed. For others, the names and the nature of relationships is disclosed only when the transactions are entered into by the Group with the related parties during the existence of the related party relationship.

(A) Transactions with Related Parties

(₹ in Million)

Particulars	With Holding Company		With Fellow Subsidiaries		With Other Parties	
For the Year ended	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Equipment Hire Charges	-	-	0.1	-	-	-
Interest Expense	84.0	154.1	-	-	-	-
Interest Income	12.7	-	-	-	-	-
Service Income	-	-	0.0	-	0.0	-
Loan Taken	110.1	2,296.3	-	-	-	-
Loan Repaid back	870.8	2,597.0	-	-	-	-
Loan Given	770.2	-	-	-	-	-
Loan Given Received Back	661.4	-	-	-	-	-
Professional & Consultancy Fees	2.0	0.3	-	-	-	-
Redemption of Optionally Convertible Redeemable Debentures	-	6,080.6	-	-	-	-
Purchase of Goods	-	-	-	-	114.0	5.0
Sale of Inventory	-	-	0.2	-	1.8	-
Corporate Social Responsibility Expenses	-	-	-	-	17.4	2.5
Operation and Maintenance Expense	-	-	-	-	129.9	127.0

(B) Balances with Related Parties

(₹ in Million)

Particulars	With Holding Company		With Fellow Subsidiaries		With Other Parties	
As at	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Loan Payable	249.9	1,010.6	-	-	-	-
Loans Receivable	108.8	-	-	-	-	-
Interest Accrued but not due	118.0	186.4	-	-	-	-
Interest Accrued due receivable	11.7		-		-	
Capex Advance	-	-		-	1,128.0	1,247.0
Accounts Receivables	-	231.0	0.0	0.4	-	0.5
Accounts Payable	2.8	0.3	-	0.2	42.2	16.0

43 Other Disclosures

(i) The Group's operations fall under single segment namely "Transmission Income" hence no separate disclosure of segment reporting is required to be made as required under IND AS 108 'Operating Segments'.

(ii) Due to outbreak of COVID-19 globally and in India, the Group's management has made initial assessment of impact on business and financial risks on account of COVID-19. Considering that the Group is in the business of Transmission of Power which is considered to be an Essential Service, the management believes that the impact of this outbreak on the business and financial position of the Group will not be significant. The management does not see any risks in the Group's ability to continue as a going concern and meeting its liabilities as and when they fall due.

(iii) The Special Purpose Combined Financial Statements for the year ended 31st March, 2021 have been approved by the Management Committee of Adani Transmission Limited (the holding entity) on 1st June, 2021.

As per our attached report of even date

For Dharmesh Parikh & Co. LLP
Chartered Accountants
Firm Registration Number : 112054W/W100725

CHIRAG SHAH
Partner
Membership No. 122510

Place : Ahmedabad
Date : 1st June, 2021

For and on behalf of the Board of Directors
ADANI TRANSMISSION LIMITED

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 1st June, 2021