Covenant Compliance Certificate

Sep 30, 2020

Adani Transmission USPP Pool

(Restricted Group)

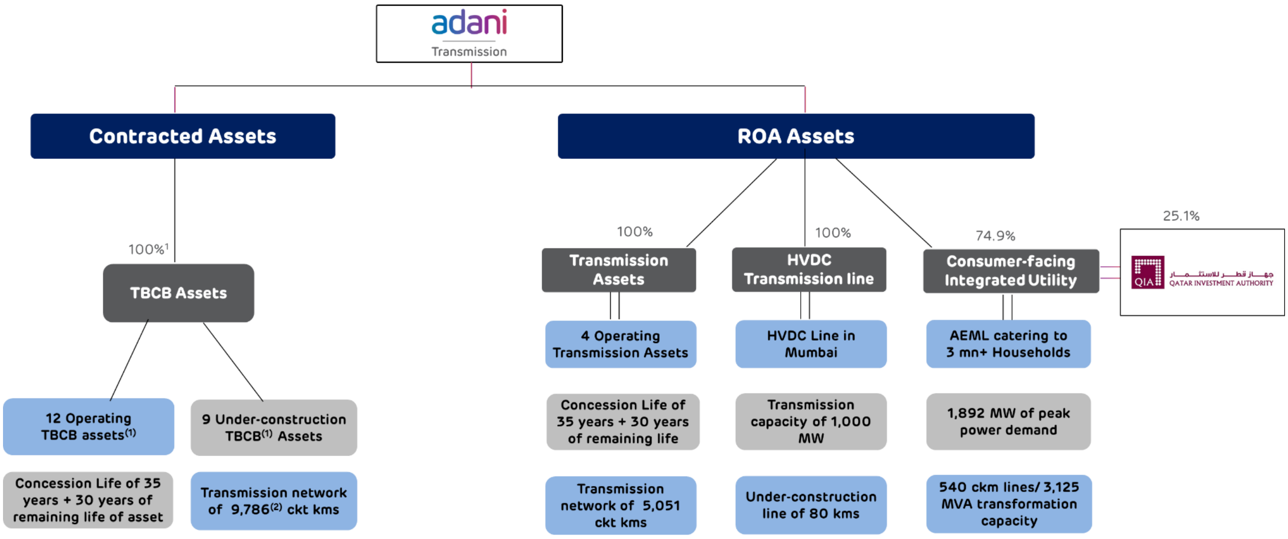
Contents

1. Executive Summary

1.1 Evolution of Adani Transmission Limited ("ATL")

Over a period of past few years, Adani Transmission has evolved from a high growth developing company to a mature asset operator with limited Greenfield risk. ATL has expanded its Pan India Presence from ~ 5,051 CKT Km in 2016 to currently ~ 14,900 CKT Km across nine states (till June-2020). ATL also marks its footprint in power distribution business with acquisition of Adani Electricity Mumbai Limited in FY19. Currently AEML caters to the electricity needs of over 3 million customers in Mumbai suburbs. This acquisition makes ATL the largest private Transmission and Distribution Company in the country.

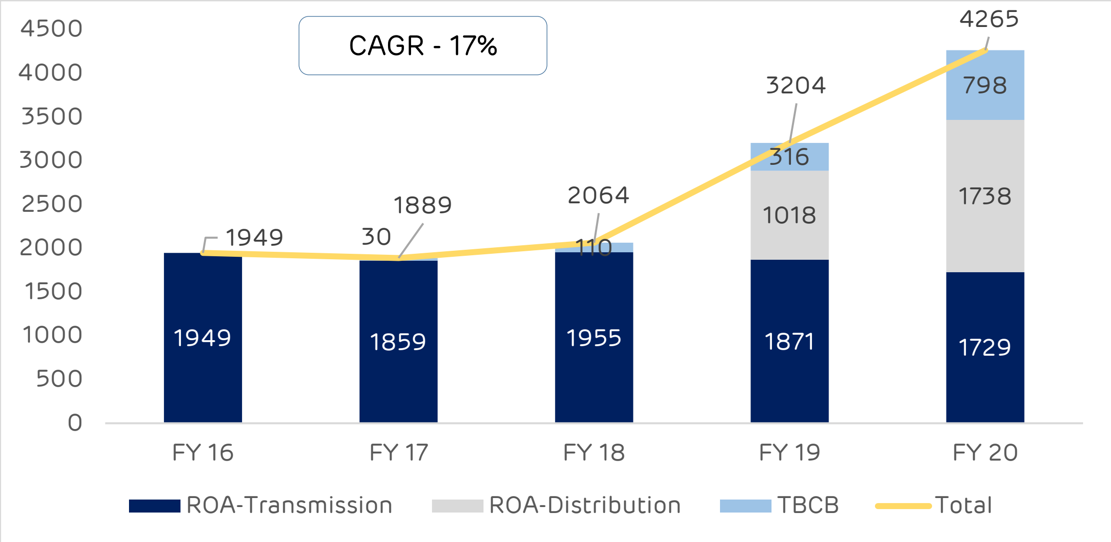
ATL business model:



Notes: 1) % denotes shareholding; 74% in Aravalli Transmission Service Company Limited; 2) Network includes operational, under construction as of 30th Sept., 2020; 3) TBCB: Tariff based competitive bidding

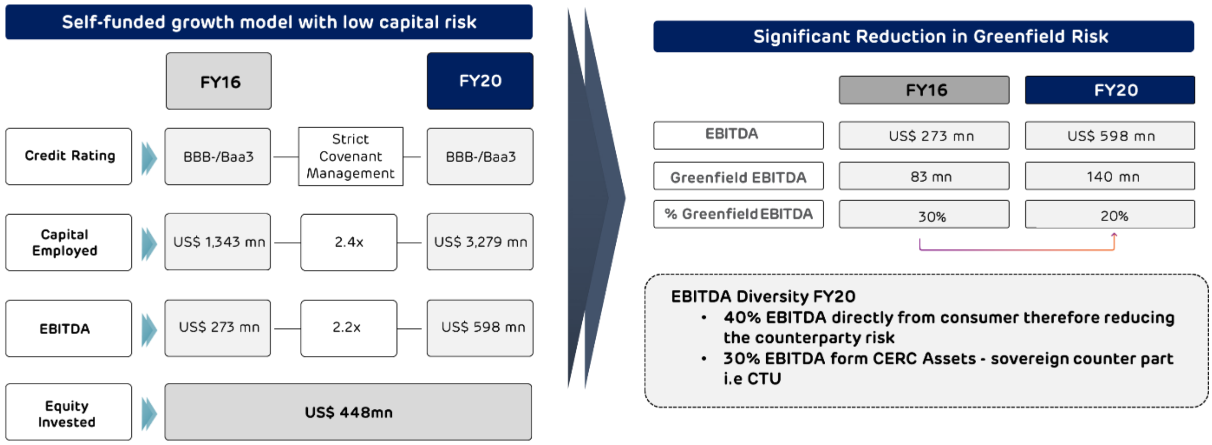
ATL, from its inception stage has been maintaining a high EBITDA performance with more than 90% margin in Transmission Business and more than 22% margin in Distribution business. ATL has grown @ CAGR of ~ 17% in the last 5 years.

EBITDA – INR Cr.



Notes: #The Mumbai Distribution business, AEML (Adani Electricity Mumbai Ltd.), was acquired on 29th Aug 2018.
The above figures are excluding one-time income /(Reversal) of Rs.872.5 Cr. in FY17-18, Rs.(89.57) Cr. in FY 18-19 & Rs. 254 Cr. in FY 19-20. (Rs.110 Cr in Transmission and Rs.144 Cr in Distribution in FY 19-20.)

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



<u>Recent Developments:</u>

- Acquisition of operating transmission assets in Eastern region from Kalpataru Power Transmission Limited; transaction expected to be closed in Q3 FY21
- With announcement of favourable regulatory order in respect of MEGPTCL (part of ATL Obligor group), ATL on consolidated basis will have annual recurring EBITDA benefit of ~INR 58 Cr.

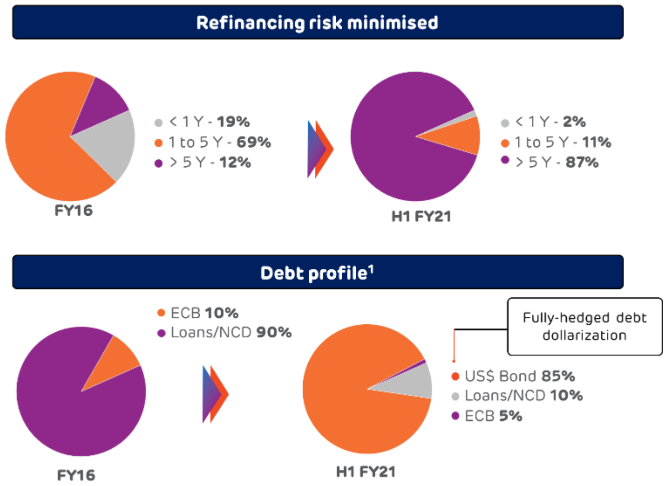
Regulatory Support in COVID-19 period for under construction entities:

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.

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.

	As of 31st Mar 16	As of 30th Sep. 20
Consolidated Net Debt	Rs. 85 bn	Rs. 166 bn
Cost of Debt (weighted) %	10.9%	9.2%
Average debt maturity for LT debt	5.8 years	10.3 years
Net Debt to EBITDA (x)	4.6x	4.3x



Notes: 1) Debt excludes perpetual equity.

ESG

- Appointed External Agency for ESG Audit
- 12x growth in renewable power procurement (from 3% of total power mix to 30%) at Mumbai retail distribution business – 700 MW PPA has been signed.

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.

ATL USPP Pool

- **Sovereign Pool**
  - Sipat Transmission Limited ("STL")
  - Chhattisgarh-WR Transmission Limited ("CWRTL")
  - Raipur-Rajnandgaon-Warora Transmission Limited ("RRWTL")
- **State Pool**
  - Hadoti Power Transmission Service Limited ("HPTSL")
  - Barmer Power Transmission Service Limited ("BPTSL")
  - Thar Power Transmission Service Limited ("TPTSL")
  - Adani Transmission (Rajsthan) Ltd (ATRL – Non issuer)

1.2.1 Operation and Business Continuity:

All our line and substations operated normally and the availability across the pool remained above 99.6% in period Apr-Sep 2020.

In this COVID-19 situation the management have taken due steps to ensure that operations remains as intact as they were during normalcy.

- **Operational staff quarantined at substations** (with no reliever and hence no social contact) all arrangements were made for congenial safe working and living.

- Tested preparedness for 100% remote working in a phased manner. Currently operating with minimum staff while others pursuing remote working.

Operating Performance:

- Strong operating performance despite the COVID Conditions.
- Availability in the month of Sep-2020 remained **above 99.6%** across all the assets under pool.
- Availability for **Q1 FY 21** was above **99.8%** while previous year (FY2020) annual average availability was recorded as **99.8%** across the assets under Pool. *(Contracted availability requirement of 98% as per TSA).*
- Eligible for **incentive income** for maintaining higher availability of **~ 1.8%** over normative availability of 98% as per TSA.
- Three of the USPP pool entities maintained **100% availability** in the month of **Sep-20.**

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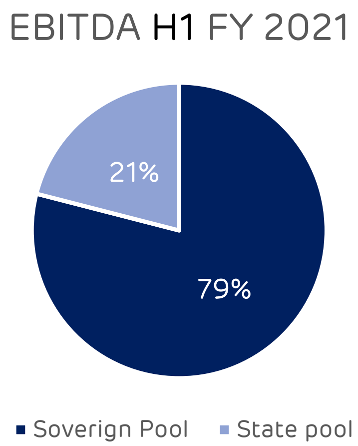
Financial Performance:

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



- The aggregated EBITDA for the year ended 30th Sep 20 is at **INR 6227 Mn** (against projected INR 6028 Mn).
- Aggregated EBITDA for 6 Months period ended on 30th Sep 2020 was INR 3115 Mn (against projected EBITDA of INR 3054 Mn)
- It has maintained Strong EBITDA Margin for H1 FY21 of 95.93% on aggregated basis (against projected 93.62%)
- Receivable position have improved in the month of Aug-20 and Sep-20 as compared to the quarter ended June-2020 and the pool entities has realised more than 100% of its monthly billing.
- On due date i.e. 11th of Sep 2020, the Pool entities have made First Principal and Interest Payment of Series A and Series B Notes.

1.3 Other steps taken by Management in view of COVID:

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

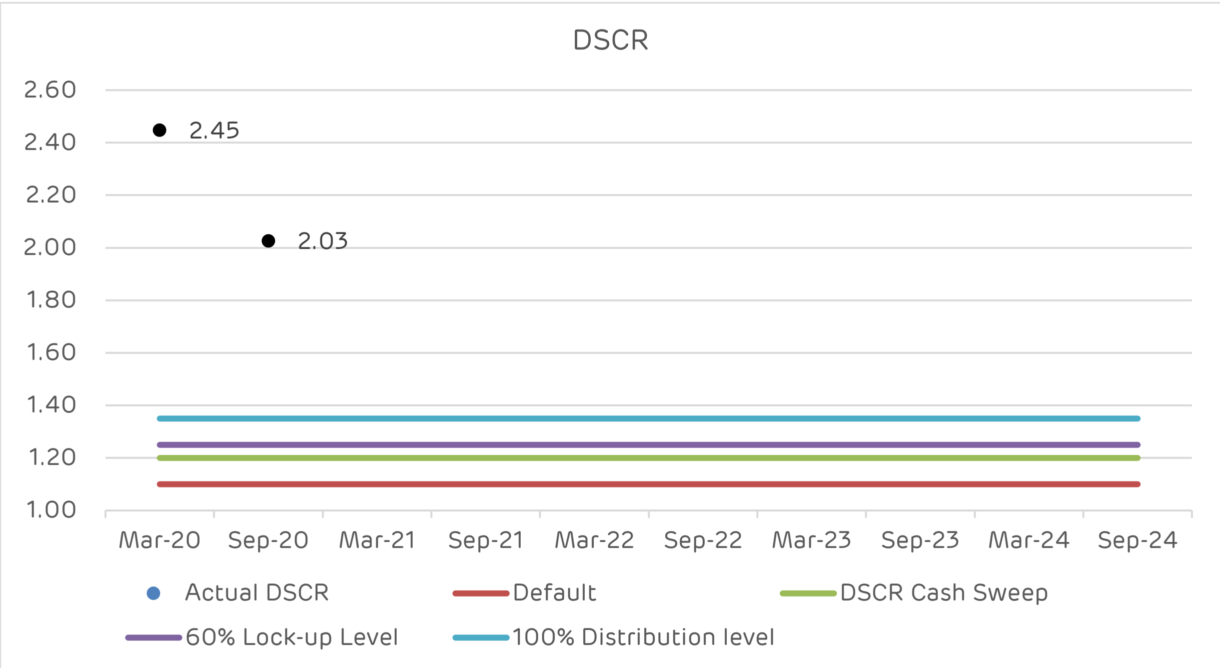
- Travel advisories strictly being adhered and IT & Technology enablement measures are in place to facilitate remote working & seamless connectivity
- **Regularly issuing updates on preventive measures &** guidelines communication to employees. Area-wise co-ordinates of medical team released for employees
- **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

- 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.

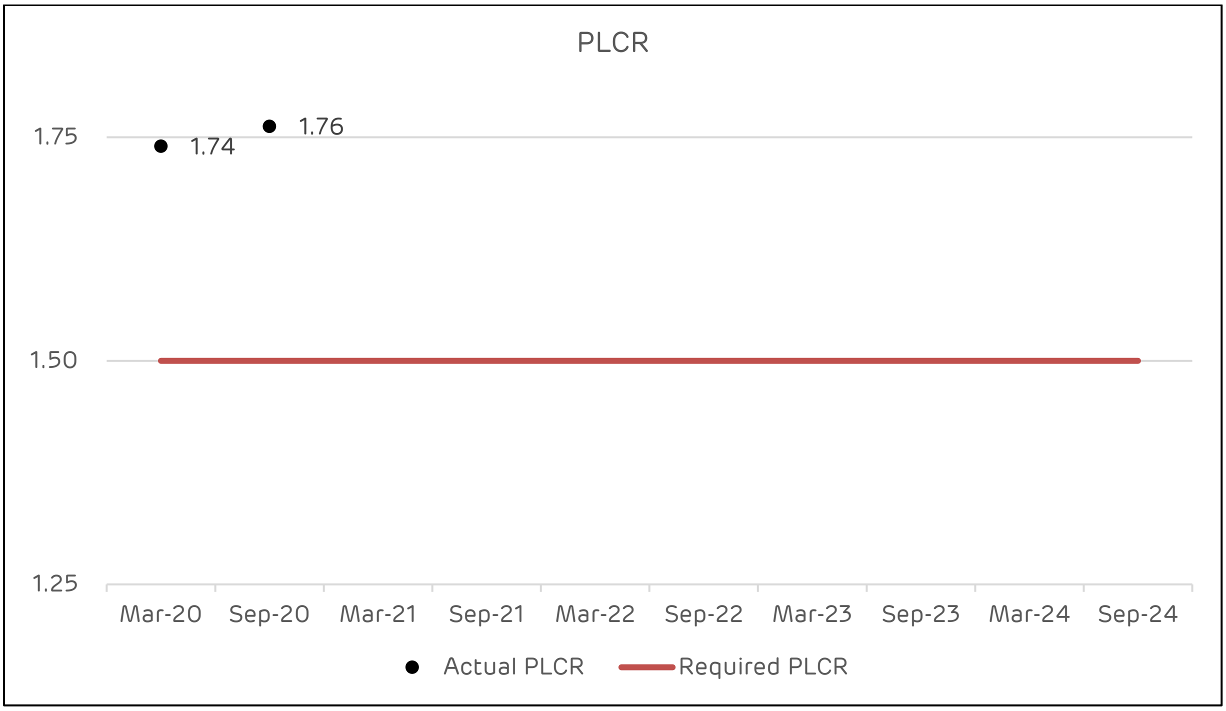
1.4 Summary of Key Covenants:

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

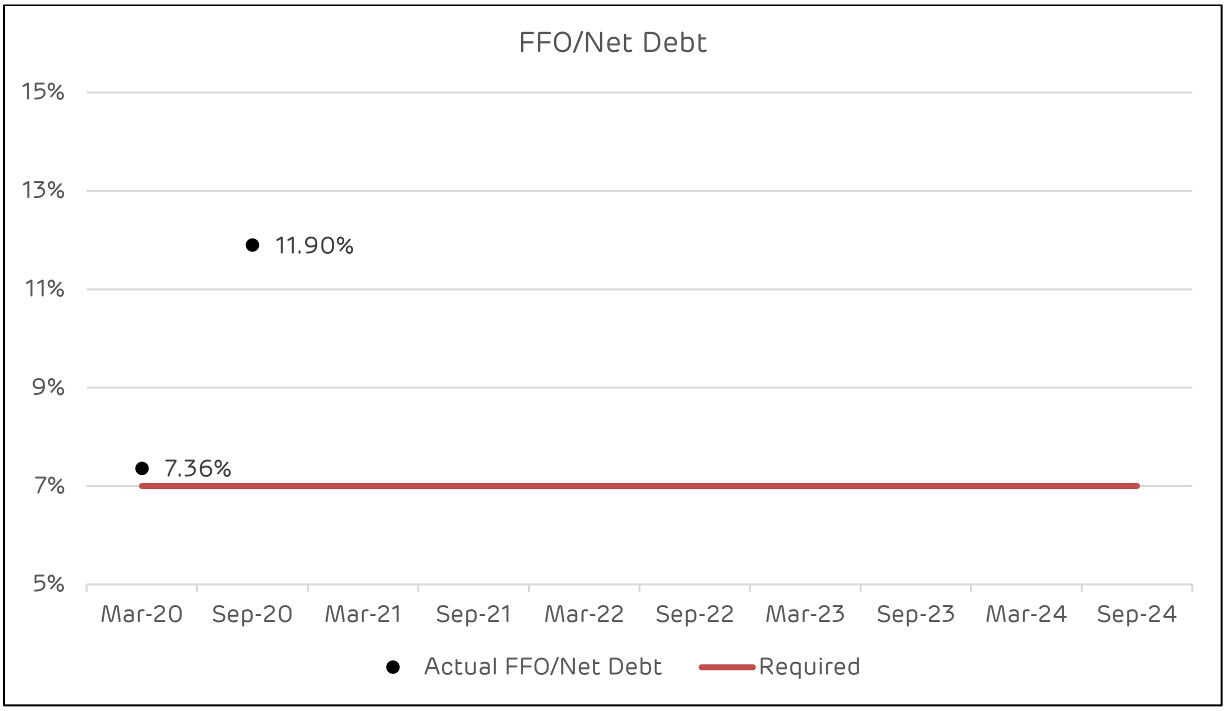
1. **DSCR:**



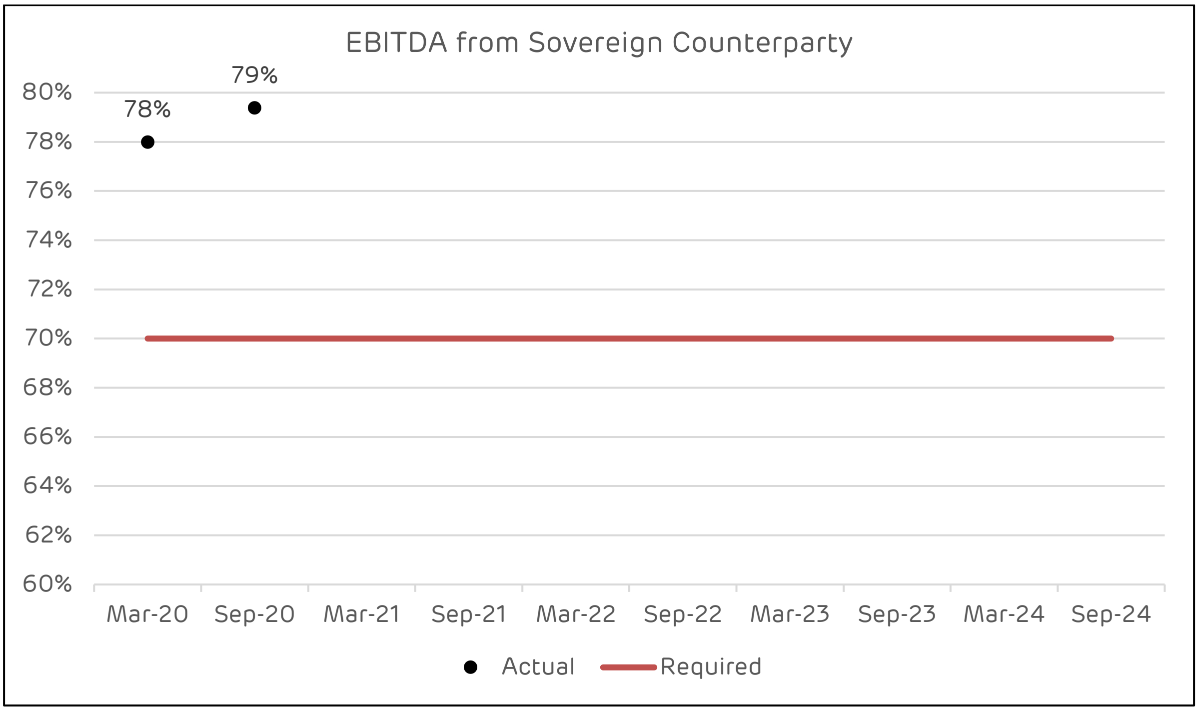
2. Project Life Cover Ratio:



3. FFO to Net Debt:

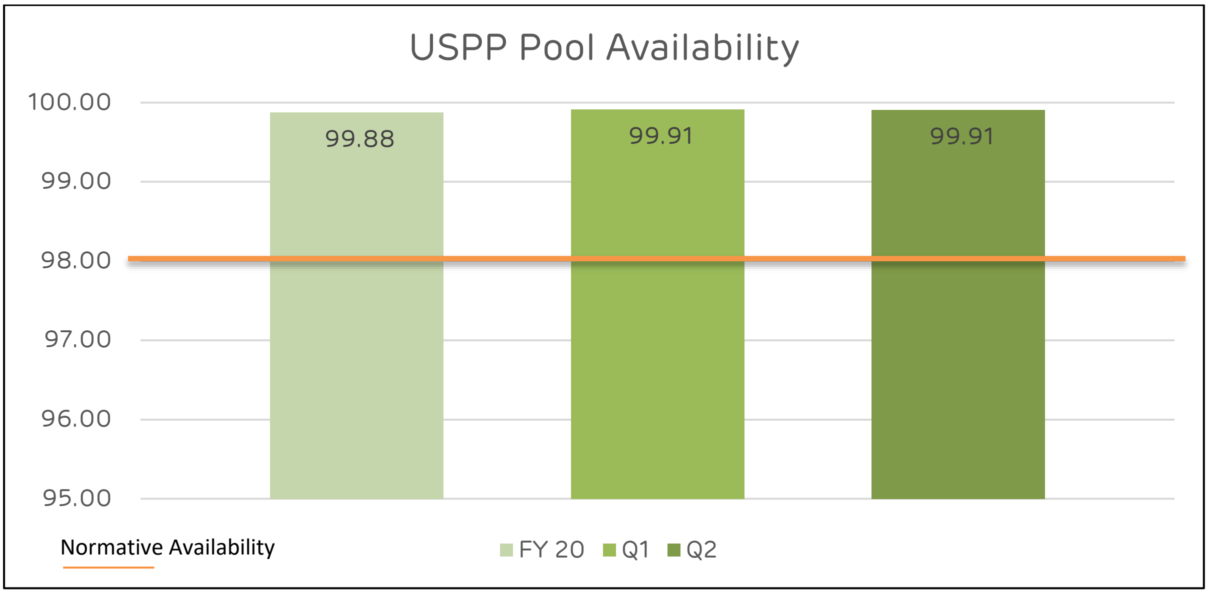


4. EBITDA from Sovereign Equivalent Counterparty:



1.5 Operational Update:

Operational performance of USPP Pool entities on aggregated basis is as follows for FY 20, Q1 FY21 and Q2 FY21:

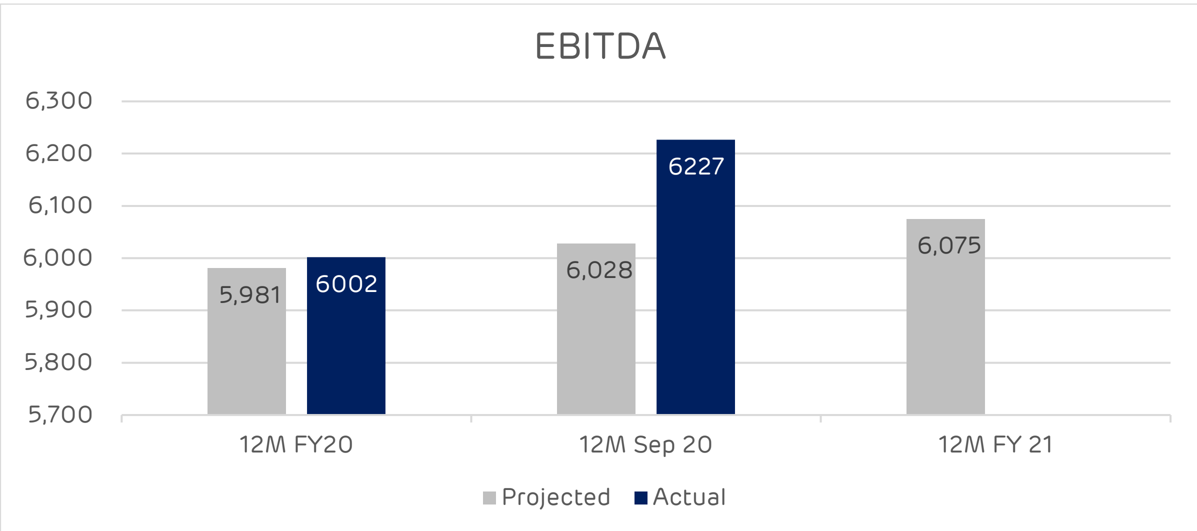


Constantly achieved more than 99.8% availability (average at USPP pool)

1.6 Financial Performance:

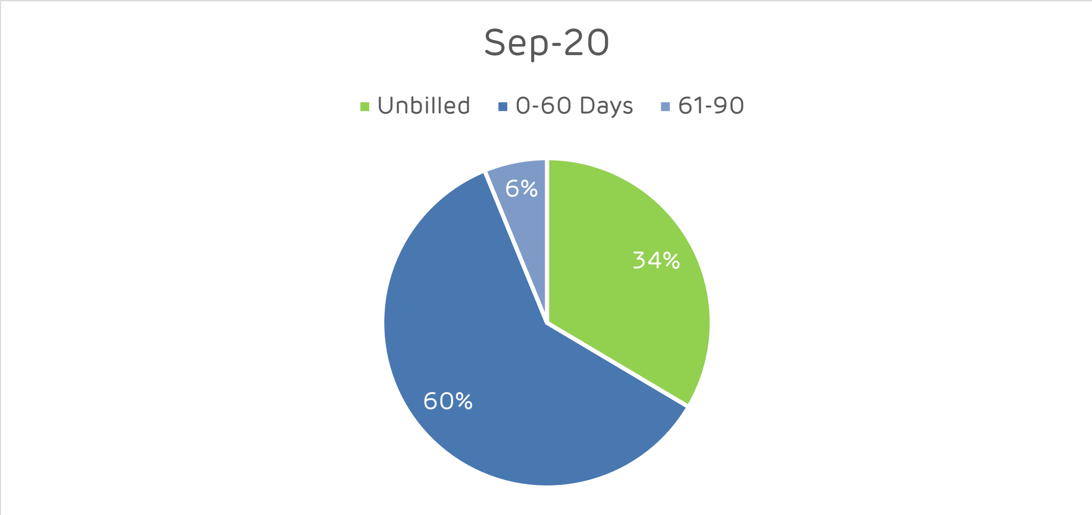
Financial performance of USPP entities on aggregated basis is as follows:

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
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 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)

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. Unaudited Aggregated Financial Statements for the 12 months period ended on Sep 30, 2020

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:

Particulars	INR Mn	Source
Opening Cash Balance and Cash Equivalent	371	Working Note no 1
Total Revenue	6,474	Note 24, 25 of Fin Statement
Less:		
Taxes Paid	(351)	Part A of Cash flow statement
Operating Expenses and Statutory payments	(247)	Note 26, 27, 29 of Fin Statement
Working Capital Changes	(281)	Part A of Cash Flow statement
USPP Transaction expenses	(176)	Working note 4
Cash Available for Debt Servicing (A)	**5,790**	
Debt Servicing:		
Interest Servicing	(2,465)	Annexure :B
Principal Servicing	(434)	Annexure :B
Other Finance Cost	(45)	Working note 4
Total (B)	**(2,944)**	
Cash flow available post Debt service (A+B)	2,845	
Reserve Funding		
Investment in Senior Debt Service Reserve Account	(1,256)	Cash Flow statement
Forward Capex Reserve	-	
Senior Debt Restricted Reserve Accounts	-	
Senior Debt Redemption Accounts	-	
Swap Balancing Account	(363)	
Funds for 1 month equivalent Operating Expense	(28)	
Cash Available for Distribution	**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: **2.03x** : 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: **11.90%**

4. As calculated in Annex E, the Project Life Cover Ratio for the Calculation Period ending on the Calculation Date is: **1.76x** : 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	Sep-20 - Actual	Mar-20 Actual
1	Debt Service Cover Ratio **(DSCR)**	**Ann :B**	1.1x	2.03	2.45
2	EBITDA from Operating Person (Operating SPVs)	**Ann :C**	95%	100%	100%
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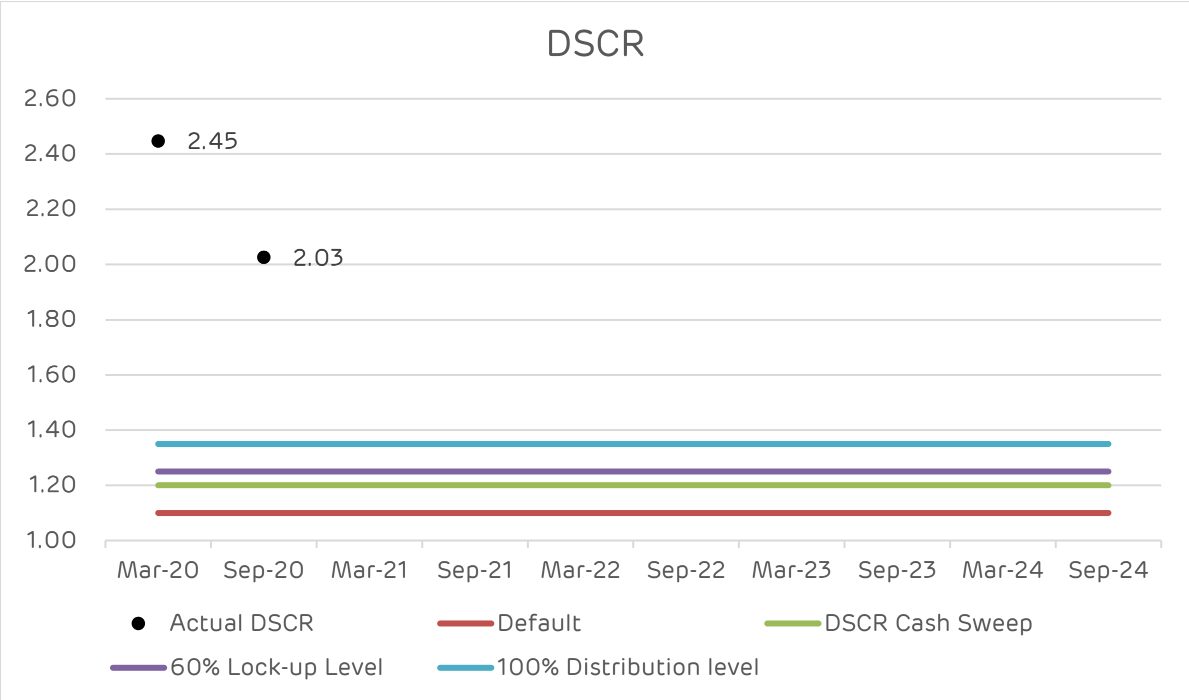
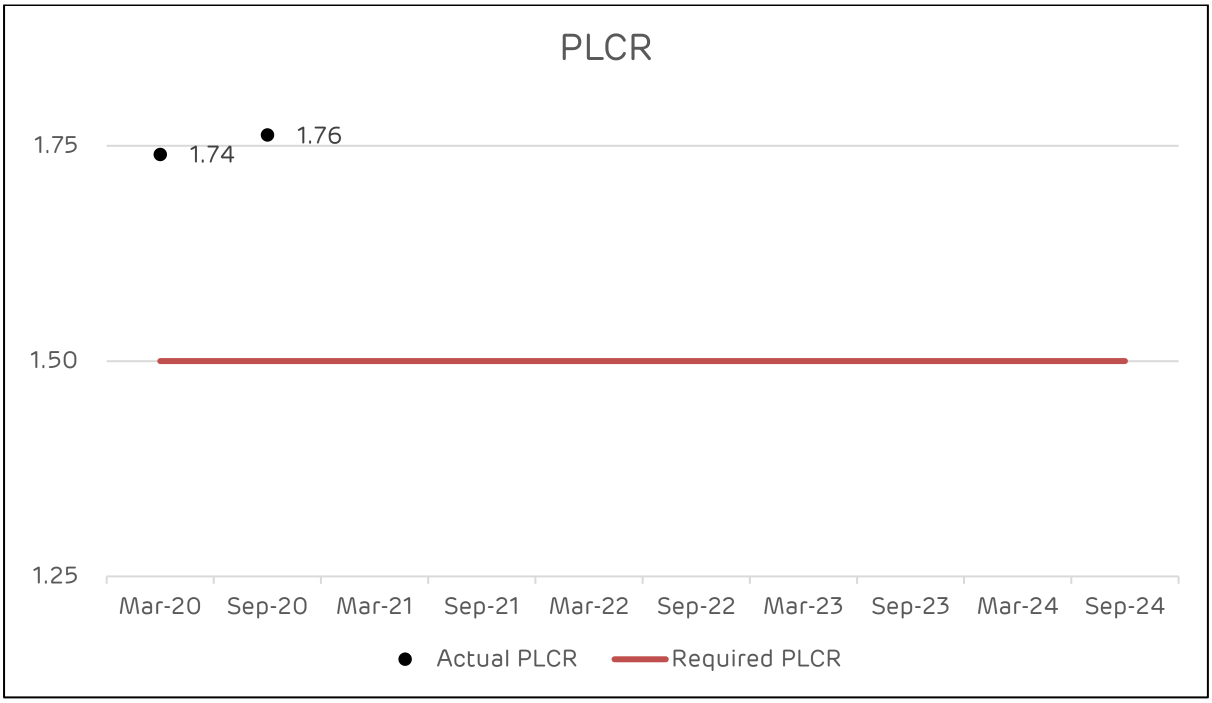
5	Project Life Cover Ratio **(PLCR)**	**Ann :E**	1.5x	1.76	1.74

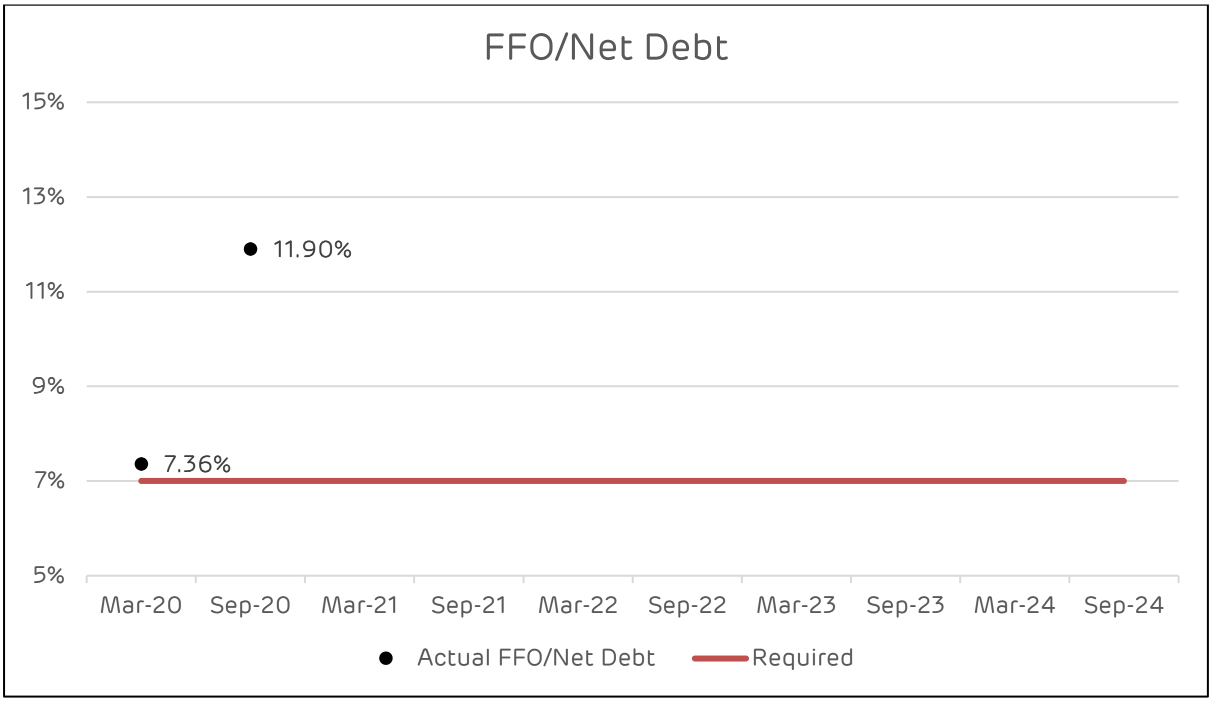
3.2.1 DSCR:



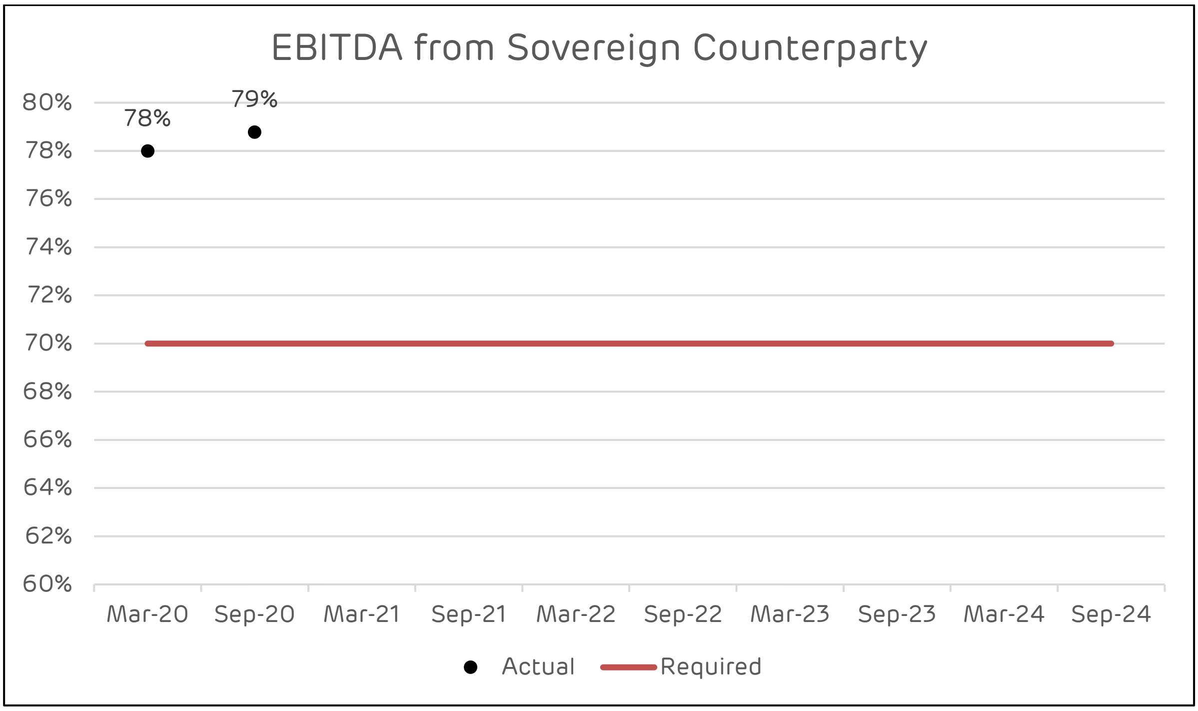
3.2.2 Project Life Cover Ratio:



3.2.3 FFO to Net Debt:



3.2.4 EBITDA from Sovereign Equivalent Counterparty:



4. Operating Performance: Availability

These pool SPVs has been successfully operating the lines and has maintained high availability above 99.6% in the month of Sep-2020.

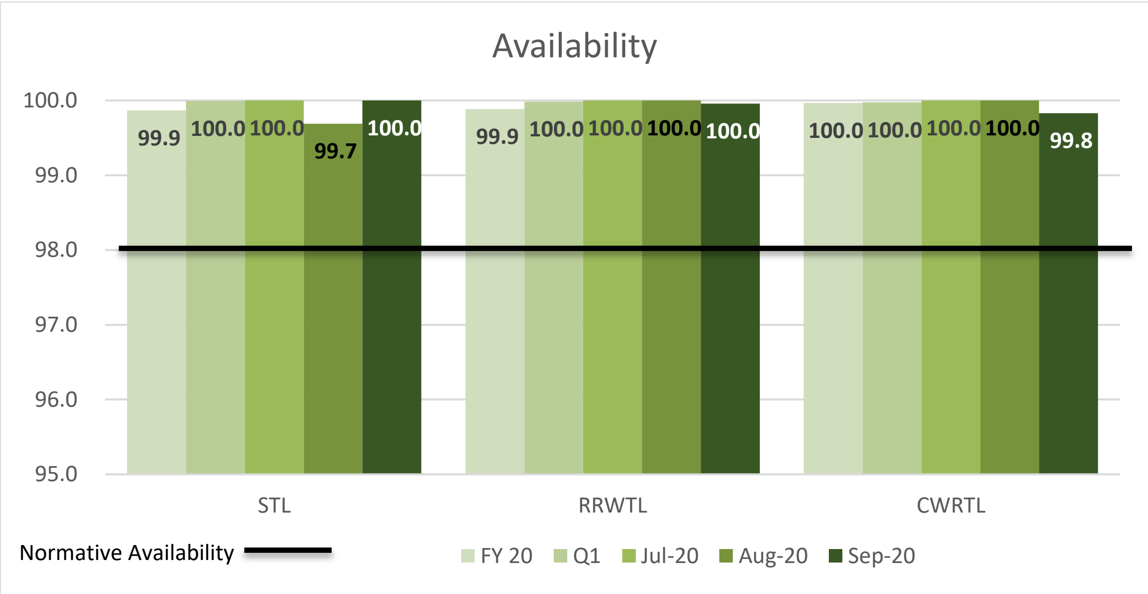
In the first quarter of FY 2021, the assets has maintained availability above 99.8% thereby showing consistent operational performance despite of the COVID condition and lock-down situation in that period.

The FY20 availability shows average availability for entire financial year.

These SPVs are entitled to receive the incentive on account of maintaining availability over and above normative availability.

Below is the summary of Average Availability data for **FY20, Q1 FY 2021 and Q2 FY 2021**:

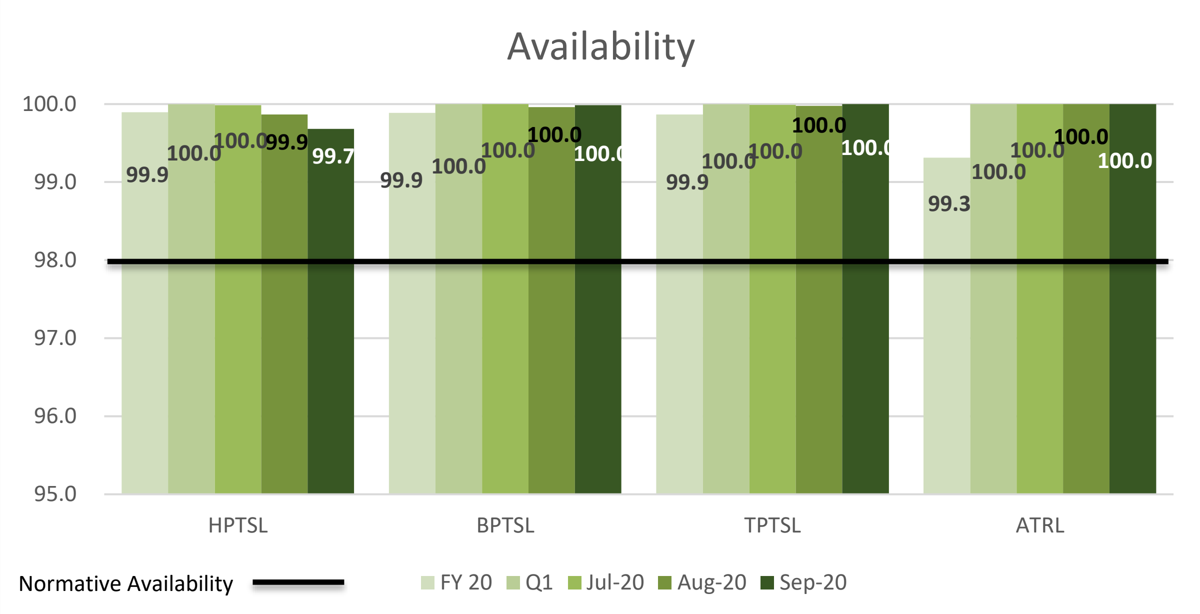
4.1 Sovereign Pool:



(Availability Figures are in % Terms)

Period	STL	RRWTL	CWRTL
FY 20	99.87	99.88	99.97
Q1 FY 21	99.99	100.0	100.0
Jul-20	100.00	100.00	100.00
Aug-20	99.69	100.00	100.00
Sep-20	100.00	99.96	99.83

4.2 State Pool:



(Availability Figures are in % Terms)

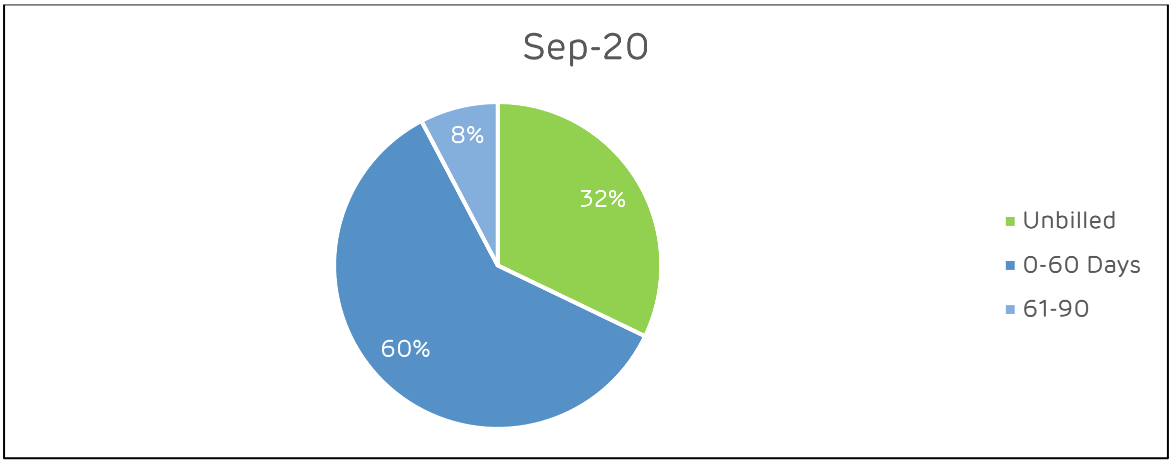
Period	HPTSL	BPTSL	TPTSL	ATRL
FY 20	99.89	99.89	99.87	99.32
Q1 FY 20	100.00	100.00	100.00	100.00
Jul-20	100.00	100.00	100.00	100.00
Aug-20	99.87	99.96	99.98	100.00
Sep-20	99.68	99.99	100.00	100.00

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:

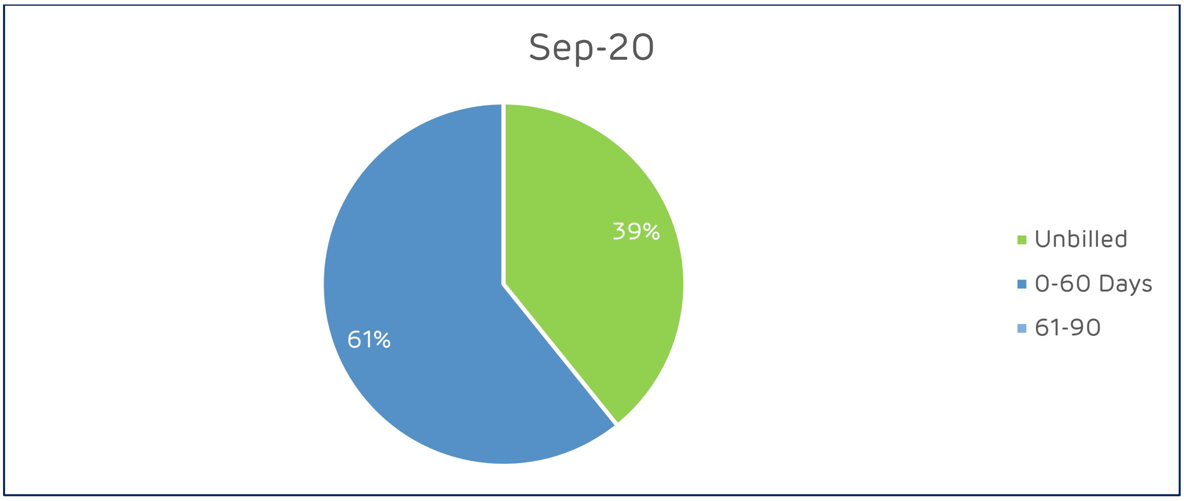
5.1.1 Sovereign Pool: Receivable update



(INR Mn)

Month	Total	Unbilled #	0-60 Days	61-90	91-120	121-180	> 181 days
Sep-20	1404	452	844	108			
June-20	1610	437	803	370			
Mar-20	1095	448	647	-	-	-	-
Sep-19	947	440	507	-	-	-	-

5.1.2 State Pool:



(INR Mn)

Month	Total	Unbilled [2]	0-60 Days	61-90	91-120	121-180	> 181 days
Sep-20	337	136	201	-	-	-	-
June-20	682	144	225	100	212	-	-
Mar-20	560	161	216	105	78	-	-
Sep-19	459	145	224	90	-	-	-

[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: 06th Nov 2020

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 30.09.2020 (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 calculated 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	94.0
Chhattisgarh-WR Transmission Limited	180.6
Raipur-Rajnandgaon-Warora Transmission Limited	171.1
Hadoti Power Transmission Service Limited	276.5
Barmer Power Transmission Service Limited	256.6
Thar Power Transmission Service Limited	219.9
Total	**1198.6**

(b) As calculated in **Annex B** hereto, the Debt Service Cover Ratio for the Calculation Period ending on the Calculation Date is: **2.03x** : 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: **11.90%**

(e) As calculated in **Annex E,** the Project Life Cover Ratio for the calculation Period ending on the Calculation Date is: **1.76x : 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	141
Chhattisgarh-WR Transmission Limited	280
Raipur-Rajnandgaon-Warora Transmission Limited	233
Hadoti Power Transmission Service Limited	291
Barmer Power Transmission Service Limited	269
Thar Power Transmission Service Limited	232
Adani Transmission (Rajasthan) Limited	142
Total	**1589**

(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.

By: ____________________

Name: Kaushal Shah
Title: Authorized Officer

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	**Rs (in millions)**
Sipat Transmission Limited	94.0
Chhattisgarh-WR Transmission Limited	180.6
Raipur-Rajnandgaon-Warora Transmission Limited	171.1
Hadoti Power Transmission Service Limited	276.5
Barmer Power Transmission Service Limited	256.6
Thar Power Transmission Service Limited	219.9
Total	**1198.6**

Annex: B Debt Service Cover Ratio (DSCR)

Sr no	Item	INR Mn	Source
	CFADs Operating Revenue and interest revenue received (without double counting)	6,473	Note B1
	Minus:		
	Operating Expenses (subject to certain exclusions as set forth in the Agreement)	(247)	Note B2
	Taxes paid	(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	5,874	
(ii)	Debt Servicing:	2,899	
	Scheduled principal repayment	434	
	Interest payments to Senior Creditors and payments of any Costs to Senior Creditors	2,465	Working note 4
	DSCR	2.03	

Note B1:

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

	Particulars	INR Mn	Source
	CFADs Operating Revenue and interest revenue received (without double counting) **(A+B)**	6,473	
A	**CFADs Operating Revenue means, with respect to any period, (as calculated below)**	6,402	
	Operating Revenue for such period:	6,403	Note 24 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)	Note 25 to financial 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	71	Note 25 to Fin. Statement

Note B2:

Operating Expenses:

	Total Operating Expense	INR Mn	source
1	Operating expenses	155	Note 26,27, 29 to Fin. Statement
2	Employee Benefits Expense	21	
3	Other Expenses	71	
	Total	247	

Annex: C Operating Persons and Sovereign Counterparties

Particulars	INR Mn	Source
EBITDA	6226	Note C1
Amount contributed by operating Persons	100%	
Amount attributable to Transmission Services Agreements with Sovereign Counterparties	79%	

Note: C1 Calculation of EBITDA

Particulars	INR Mn	Source
Profit before Tax	2213	P&L Statement
Depreciation and amortisation	823	
Finance costs	3190	
EBITDA	**6226**	

Note C2 EBITDA from sovereign counterparty:

EBITDA	INR Mn
Sipat Transmission Ltd	1,000
Raipur Rajnandgaon Warora Transmission Ltd	2,260
Chhattisgarh WR Transmission Ltd	1,675
Total EBITDA	**4,944**
Amount attributable to Transmission Services Agreements with Sovereign Counterparties	79%

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

	Particulars	INR Mn	Source
(i)	**Funds from Operation**	**3,129**	
	EBITDA	6,226	
	minus Taxes paid	(351)	Part A of Cash flow statement
	Adjusted for Negative working capital movements	(281)	
	Minus cash net interest	(2,465)	Note B3
(ii)	**Net Debt**	**26,274**	
	Total Senior Secured Debt	29,119	Note D3
	Less:		
	Cash and Bank Balance	(437)	Note D2
	Amounts held in the		
	Senior Debt Service Reserve Accounts	(1,256)	Note D2
	Senior Debt Restricted Reserve Accounts		
	Surplus Holdings Accounts		
	Senior Debt Redemption Accounts		
	Swap Gain Accounts		
	Swap Balancing Accounts	(363)	Annex: I
	Permitted Investments	(789)	Note D2
	FFO to Net Debt Ratio (i)/(ii)	**11.90%**	

Note:

D1:

Particulars	INR Mn	Source
Taxes paid	351	Part A Cash Flow statement
Working Capital Movement	281	Part A Cash Flow statement

D2: Amounts taken directly from Financial:

Particulars	INR Mn	Source
(A) Cash and Cash Equivalent		
Cash and Bank Balance	800	Note 11 and 12 to Fin. Statement
Less: Amount transferred to Swap Balancing Accounts	(363)	Annex: I
Net Cash and Cash Balance at the end of 30.09.2020	437	
(B) Reserve Accounts as per Project Account Deed:		
Senior Debt Service Reserve Accounts	1,256	Note 4 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	789	Note 4 to Fin. Statement

D3: Senior Secured Debt:

Particulars	INR Mn	Source
Non-current Senior Secured USD Notes	27898	Note 16 Fin. Statement
Current Senior Secured USD Notes	855	Note 16 Fin. Statement
Net Derivative Instrument designated in hedge accounting relationship	363	Annex: I
Total Senior Debt Outstating	**29,119**	

Annex: E Project Life Cover Ratio (PLCR)

	Particulars	INR Mn	Note
(i)	**NPV of EBITDA**	**49,107**	**E1**
	NPV Factor (weighted average lifecycle cost of Senior Debt)	9.22%	E2
	Senior Debt for PLCR calculation		
	Senior Debt outstanding on relevant Calculation Date	27,863	
	Less: SDRA balance	-	
(ii)	**Net Senior Debt**	**27,863**	**E3**
	PLCR (i/ii)	**1.76**	

Note:

E1. EBITDA Reasonably forecasted for the life of Transmission Service agreement (based on the financial model shared at the time of closing of deal)

FY	**Sep-21**	**Sep-22**	**Sep-23**	**Sep-24**	**Sep-25**	**Sep-26**
EBITDA Reasonably Forecasted	6,065	6,040	5,891	5,616	5,287	4,840
Cost of Debt	9.22%	9.22%	9.22%	9.22%	9.22%	9.22%
FY	**Sep-27**	**Sep-28**	**Sep-29**	**Sep-30**	**Sep-31**	**Sep-32**
EBITDA Reasonably Forecasted	4,577	4,433	4,264	4,225	4,204	4,185
Cost of Debt	9.22%	9.22%	9.22%	9.22%	9.22%	9.22%
FY	**Sep-33**	**Sep-34**	**Sep-35**	**Sep-36**	**Sep-37**	**Sep-38**
EBITDA Reasonably Forecasted	4,167	4,126	4,083	4,009	3,947	3,939
Cost of Debt	9.22%	9.22%	9.22%	9.22%	9.22%	9.22%
FY	**Sep-39**	**Sep-40**	**Sep-41**	**Sep-42**	**Sep-43**	**Sep-44**
EBITDA Reasonably Forecasted	3,914	3,888	3,863	3,830	3,793	3,762
Cost of Debt	9.22%	9.22%	9.22%	9.22%	9.22%	9.22%
FY	**Sep-45**	**Sep-46**	**Sep-47**	**Sep-48**	**Sep-49**	**Sep-50**
EBITDA Reasonably Forecasted	3,733	3,696	3,658	3,622	3,576	3,525
Cost of Debt	9.22%	9.22%	9.22%	9.22%	9.22%	9.22%

FY	Sep-51	Sep-52	Sep-53	Mar-54		
EBITDA Reasonably Forecasted	3,471	3,355	2,941	1,305		
Cost of Debt	9.22%	9.22%	9.22%	9.22%		

E2. Currently the Senior Secured Debt outstanding in this group is USPP Notes. The weighted average lifecycle cost for the same is 9.22% (coupon 5.20%+ hedging cost 4.02%)

E3. Senior Debt Outstanding for PLCR:

Particulars	INR Mn	Source
Senior Debt Outstanding#	29,119	Note no D3
Less: Debt Service Reserve Account	(1,256)	Working note 3
Net Debt outstanding for PLCR	27,863	

The USD Notes have been fully hedged therefore we have used hedged rate to calculate the INR outstanding.

Annex: I Mark to Market Loss value of Swap agreement

Issuer	Mark-to-market value (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

The above amounts have been deposited in the Swap Balancing account as per the Terms of the Notes and Guarantee agreement.

Working Notes:

Note: 1 Opening Cash and Cash Equivalent:

Particulars	INR Mn	Source
Opening Cash and Cash Equivalent	1,255	Balance as on 30.09.2019
Less:		
Capex commitment and other payments during the period Oct 19 to Mar 20 (before Closing)	(657)	Working note 2
Prepayment Premium to Repaid lenders	(227)	Working note 4
Net Opening Cash and Cash Equivalent	**371**	

Note 2: Capex commitment and other payments

Particulars	INR Mn	Source
Net proceeds from Borrowings	8,217	working note 2a
Less:		
Repayment of Sponsor affiliate debt as permitted under Notes Agreement	(6,972)	working note 2b
Payment of Capex Creditors	(1,903)	working note 2c
Capex commitment and other payments during the period Oct 19 to Mar 20 (before Closing)	(657)	

Note: 2a Net Proceeds from Borrowing

Particulars	INR Mn	Source
Net Proceeds from Borrowing	7,924	Part C of Cash Flow statement.
Adjustment:		
Principal Repayment (USPP Note holders)	434	
Re-classification: Long Term Sponsor affiliate Debt to note no 2b	(141)	Note 2b
Adjusted Net Proceeds from Borrowing	**8,217**	

Note: 2b Repayment of Sponsor affiliate deb

Particulars	INR Mn	Source
Repayment of Sponsor Affiliate Debt (CCD/ICD)		
Redemption of Optionally Convertible Redeemable Debentures	6,081	Part C of Cash Flow Statement

Net Proceeds from Short Term Sponsor affiliate Borrowings	(457)	Part C of Cash Flow Statement
Long Term Sponsor affiliate Borrowings	141	
Interest Payment on Sponsor affiliate Debt (prior to Closing)	575	Working Note 4
Total	**6,972**	

Note: 2c Payment of Capital Expenditure and capital creditors

Particulars	**INR Mn**	**Source**
Payment of Capital Creditors and Capital Expense	1,894	Part B of Cash Flow Statement
Add: Financial Assets under Service Concession Arrangements	5	Part B of Cash Flow Statement
Adjustment:		
Payment of Lease	4	Part B of Cash Flow Statement
Total	**1,903**	

Note: 3 Senior Debt Service Reserve Accounts:

Senior Debt Service Reserve Accounts	INR Mn
STL	222
RRWTL	503
CWRTL	364
HPTSL	62
BPTSL	53
TPTSL	51
Total	**1,256**

Note: 4 Total Finance Cost as per Cash Flow

Particulars	INR Mn
Interest and other payment to Senior Creditors	2,465
USPP Transaction Expense	176
Prepayment premium to outgoing lenders	227
Accrued interest of Sponsor Affiliate Debt	575
Other Finance Cost	45
Total	**3,484**

6. Projected Key Financial information and Ratios:

Considering actual Operating and maintenance expense cost of the FY 2020 and actual cost of debt (9.22%), we have projected the key financial information and ratio for remaining years:

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.

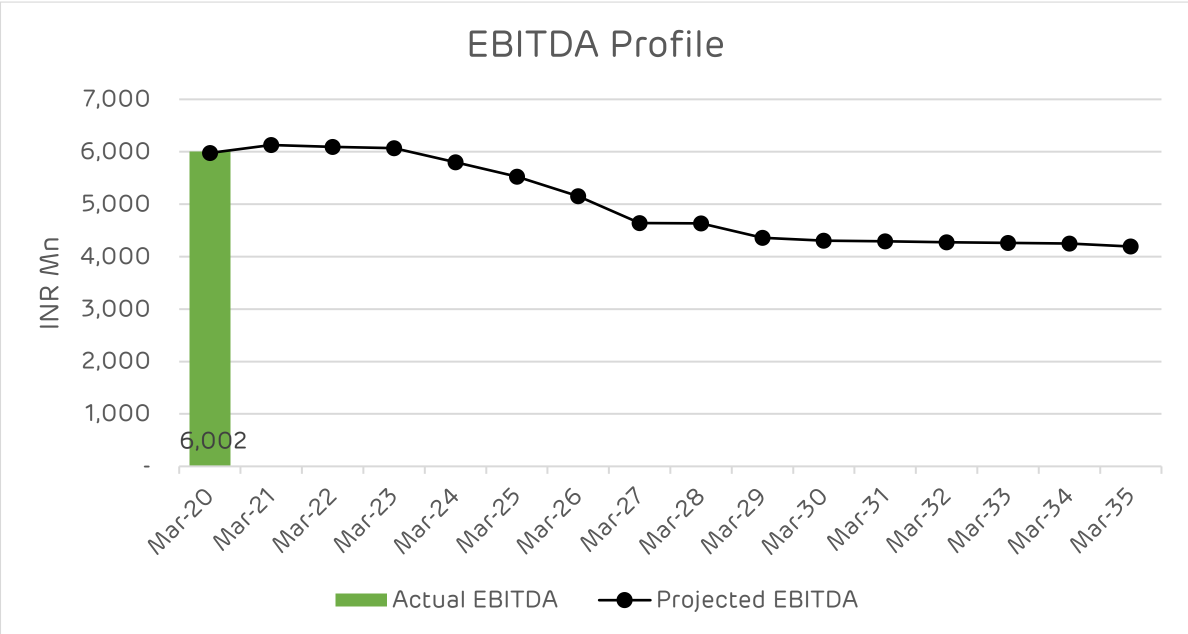
4. **Actual O&M** The actual O&M cost for FY 2020 is considered as a base and all future years' O&M cost is derived by applying the escalation rate to it.

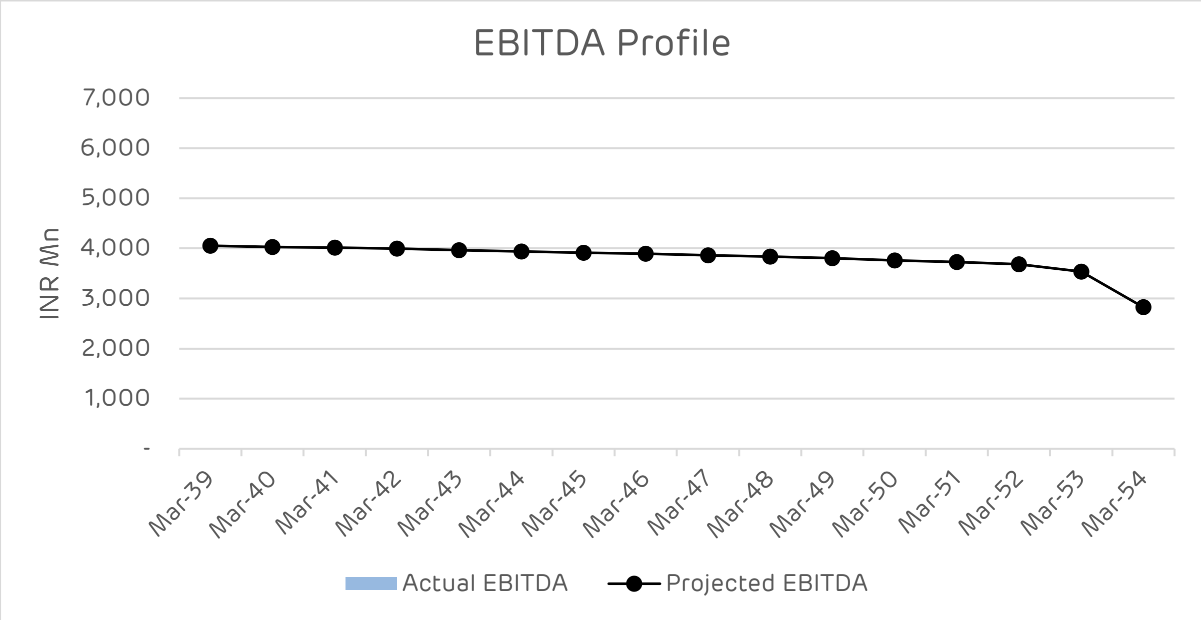
5. **O&M Escalation Rate:** Aggregated O&M Escalation rate is same as was submitted in final model i.e. ~ 3.84% on aggregate basis.

6. **Cost of Debt:** Cost of debt is assumed at 9.22% p.a. (incl hedging cost).

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

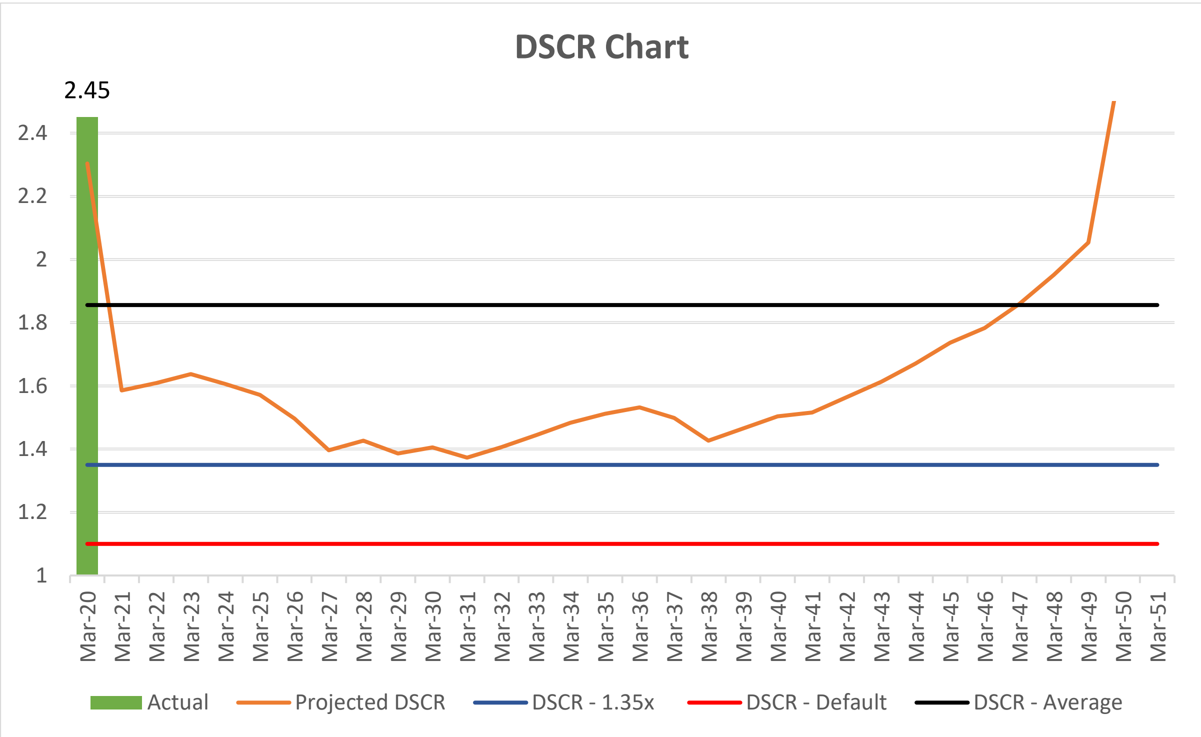
1. **EBITDA Profile:**



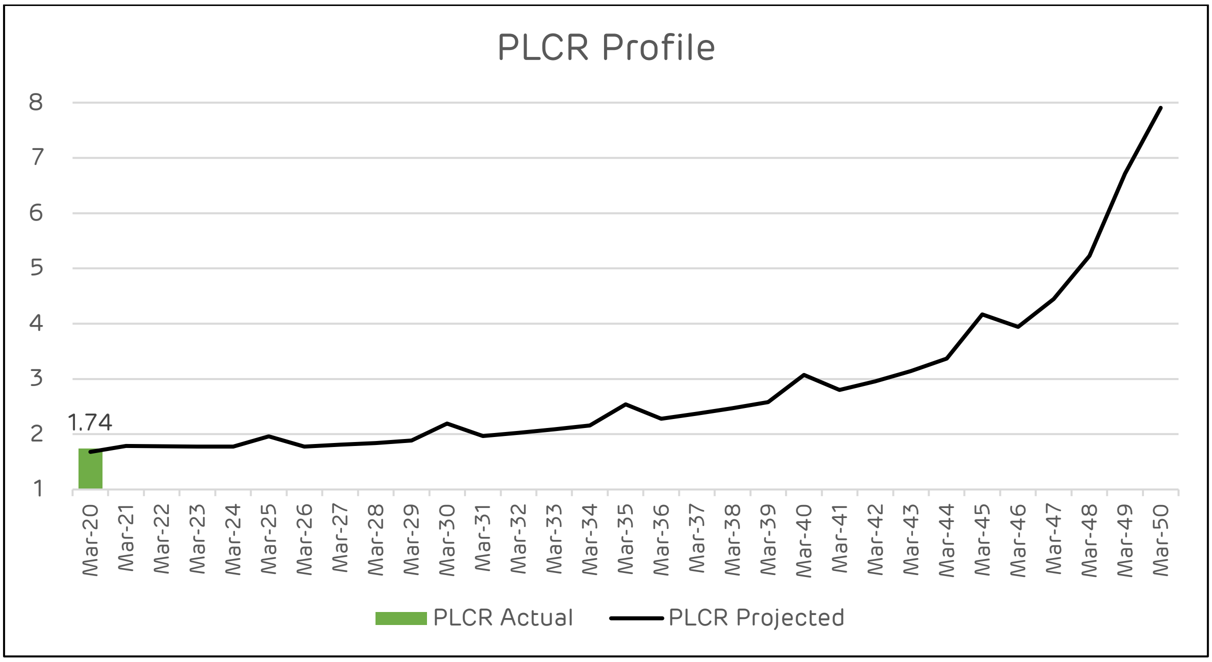


Key Ratio:

Debt Service Cover Ratio: (Projected)



PLCR (Projected):



Unaudited Aggregated Financial Statements for the 12 months period ended on September 30, 2020

USPP Pool

Special Purpose Combined Balance Sheet as at 30th September, 2020

(₹ in Million)

Particulars	Note	As at 30th September, 2020
ASSETS		
Non-current Assets		
Property, Plant and Equipment	3.1	28,769.3
Capital Work-In-Progress	3.2	129.8
Right of Use Assets (Net)		187.6
Intangible Assets	3.3	0.3
Financial Assets		
- Other Financial Assets	4	2,548.4
Income Tax Assets	5	398.2
Other Non-current Assets	6	1,145.7
Total Non-current Assets		**33,179.3**
Current Assets		
Inventories	7	4.6
Financial Assets		
(i) Investments	8	789.1
(ii) Trade Receivables	9	1,157.4
(iii) Cash and Cash Equivalents	10	168.0
(iv) Bank Balance other than (iii) above	11	631.7
(v) Loans	12	0.0
(v) Other Financial Assets	13	613.7
Other Current Assets	14	53.7
Total Current Assets		**3,418.2**
Total Assets		**36,597.5**
EQUITY AND LIABILITIES		
Equity		
Net Parent Investment	15	4,975.4
Total Equity		**4,975.4**
Liabilities		
Non-current Liabilities		
Financial Liabilities		
(i) Borrowings	16	28,038.4
(ii) Other Financial Liabilities	17	171.8
Provisions	18	0.4
Deferred Tax Liabilities (Net)	19	883.5
Total Non-current Liabilities		**29,094.1**
Current Liabilities		
Financial Liabilities		
(i) Borrowings	20	822.2
(ii) Trade Payables		
(A) Total outstanding dues of micro enterprises and small enterprises	21	2.1
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		227.1
(iii) Other Financial Liabilities	22	1,432.8
Other Current Liabilities	23	41.6
Provisions	18	2.2
Total Current Liabilities		**2,528.0**
Total Equity and Liabilities		**36,597.5**

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

For,

ADANI TRANSMISSION LIMITED

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

KAUSHAL SHAH
Chief Financial Officer

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 2nd November, 2020

USPP Pool

Special Purpose Combined Statement of Profit and Loss for the twelve months ended 30th September, 2020

adani
Transmission

(₹ in Million)

Particulars	Note	For the twelve months ended 30th September, 2020
Income		
Revenue from Operations	24	6,402.7
Other Income	25	71.0
Total Income		**6,473.7**
Expenses		
Operating expenses	26	154.7
Employee Benefits Expense	27	21.3
Finance Costs	28	3,190.5
Depreciation and Amortisation Expense	3.1, 3.3	823.0
Other Expenses	29	71.2
Total Expenses		**4,260.7**
Profit Before Tax for the Period		**2,213.0**
Tax Expense:		
Current Tax		250.8
Current Tax relating to earlier periods	30	(393.2)
Deferred Tax		776.1
		633.7
Profit After Tax for the Period	**Total A**	**1,579.3**
Other Comprehensive Income		
(a) Items that will not be reclassified to Profit or Loss		-
(b) Tax relating to items that will not be reclassified to Profit or Loss		-
(c) Items that will be reclassified to profit or loss		(80.0)
(d)Tax relating to items that will be reclassified to Profit or Loss		20.1
Other Comprehensive Income for the Period (Net of Tax)	**Total B**	**(59.9)**
Total Comprehensive Income for the Period	**Total (A+B)**	**1,519.4**

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

For ,
ADANI TRANSMISSION LIMITED

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

KAUSHAL SHAH
Chief Financial Officer

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 2nd November, 2020

Adani Transmission Limited

USPP Pool

Special Purpose Combined Statement of Profit and Loss for the twelve months ended 30th September, 2020

adani Transmission

(₹ in Million)

Particulars		Note	For the twelve months ended 30th September, 2020
Income			
Revenue from Operations		24	6,402.7
Other Income		25	71.0
	Total Income		**6,473.7**
Expenses			
Operating expenses		26	154.7
Employee Benefits Expense		27	21.3
Finance Costs		28	3,190.5
Depreciation and Amortisation Expense		3.1, 3.3	823.0
Other Expenses		29	71.2
	Total Expenses		**4,260.7**
Profit Before Tax for the Period			**2,213.0**
Tax Expense:			
Current Tax			250.8
Current Tax relating to earlier periods		30	(393.2)
Deferred Tax			776.1
			633.7
Profit After Tax for the Period		**Total A**	**1,579.3**
Other Comprehensive Income			
(a) Items that will not be reclassified to Profit or Loss			-
(b) Tax relating to items that will not be reclassified to Profit or Loss			-
(c) Items that will be reclassified to profit or loss			(80.0)
(d)Tax relating to items that will be reclassified to Profit or Loss			20.1
Other Comprehensive Income for the Period (Net of Tax)		**Total B**	**(59.9)**
Total Comprehensive Income for the Period		**Total (A+B)**	**1,519.4**

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

ADANI TRANSMISSION LIMITED

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

KAUSHAL SHAH
Chief Financial Officer

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 2nd November, 2020

USPP Pool

adani
Transmission

Special Purpose Combined Statement of Cash Flows for the twelve months ended 30th September, 2020

(₹ in Million)

Particulars	**For the twelve months ended 30th September, 2020**
A. Cash flow from operating activities	
Profit before tax	2,213.0
Adjustments for:	
Finance Costs	3,190.5
Depreciation Expense	823.0
Gain on Sale/Fair Value of Current Investments through Profit & Loss	(30.1)
Interest Income	(33.1)
Operating profit before working capital changes	**6,163.3**
Changes in Working Capital:	
(Increase) / Decrease in Operating Assets :	
Loans and Other Financial Assets and Other Assets	(1.2)
Inventories	(4.6)
Trade Receivables	(325.0)
Increase / (Decrease) in Operating Liabilities :	
Other Financial Liabilities, Other Liabilities and Provision	31.5
Trade Payables	18.4
Cash generated from operations	**5,882.4**
Taxes paid (Net of Income tax Refund)	(350.9)
Net cash generated from operating activities (A)	**5,531.5**
B. Cash flow from investing activities	
Financial Assets under Service Concession Arrangements	(4.7)
Payments of Capital expenditure on Property, Plant and Equipment, Intangible Asset (including capital advance)(Net)	(1,894.1)
Sale/(Purchase) of current investment (net)	(44.0)
Proceeds from / (Deposits in) Bank deposits (net) (Including Margin money deposit)	(1,588.2)
Interest received	28.1
Net cash used in investing activities (B)	**(3,502.9)**
C. Cash flow from financing activities	
Net Proceeds from Long Term Borrowings	7,924.1
Net Proceeds from Short Term Borrowings	(457.0)
Proceeds from issue of share capital	-
Redemption of Optionally Convertible Redeemable Debentures	(6,080.6)
Payment of lease	(4.0)
Finance Cost paid	(3,484.1)
Net cash generated from financing activities (C)	**(2,101.6)**
Net decrease in cash and cash equivalents (A+B+C)	**(73.0)**
Cash and cash equivalents as on 1st October, 2019	241.0
Cash and cash equivalents as on 30th September, 2020 (Refer note 10)	**168.0**

Cash and cash equivalent includes - Refer Note 10	**As at 30th September, 2020**
Balances with banks	
In current accounts	**168.0**
	168.0

Disclosure as per Ind AS 7 Statement of Cash Flows:

The Ind AS 7 require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Group has provided the information for current period.

Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is given as below.

(₹ in Million)

Particulars	**1st October, 2019**	**Cash Flows**	**Foreign Exchange Management**	**Other**	**30th September, 2020**
Long-term Borrowings (Including Current Maturities of Long Term Debt)	21,188.9	7,924.1	(147.2)	(72.2)	28,893.6
Short term Borrowings	1,279.2	(457.0)	-	-	822.2
Optionally Convertible Redeemable Debentures*	6,080.6	(6,080.6)	-	-	-
Total	**28,548.7**	**1,386.5**	**(147.2)**	**(72.2)**	**29,715.8**

* During the year, 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.

Notes to Special Purpose Interim 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. Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is given as above.

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

For ,
ADANI TRANSMISSION LIMITED

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

KAUSHAL SHAH
Chief Financial Officer

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 2nd November, 2020

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 House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009, Gujarat, India.

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 twelve months ended 30th September, 2020 (referred to as "Period") . 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, Unsecured Perpetual Debt 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.

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.

Adani Transmission Limited *

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.

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.

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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.

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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.

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

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.

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.

(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.

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

One of 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 – "Revenue from Contracts with Customers", these arrangements are accounted for based on the nature of the consideration. 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. For fulfilling those obligations, the Company is entitled to receive either cash from consideration received or receivable from the grantor or a contractual right to charge the users of the service. The allocated by reference to the relative fair values of the services provided; typically: a) Construction component b) A service element for operating and maintenance services performed . The right to consideration gives rise to financial asset: 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

Effective from 1st April, 2019, The Group adopted Ind AS 116 – Leases and applied the standard to all lease contracts existing as on 1st April, 2019 using the modified retrospective method on the date of initial application i.e. 1st April, 2019.

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. There is no such notification which would have been applicable from April 1, 2020.

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.

Adani Transmission

3.1. Property, Plant and Equipment, Intangible Assets and Capital Work in Progress (₹ 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 October, 2019	**188.1**	**207.7**	**29,299.3**	**4.7**	**0.3**	-	-	**29,700.1**
Additions during the Year	-		432.3	0.3	3.7	1.5	0.9	**438.7**
Disposals during the Year	-	-	-	-	-	-	-	-
Balances as at 30th September, 2020	**188.1**	**207.7**	**29,731.6**	**5.0**	**4.0**	**1.5**	**0.9**	**30,138.8**
II. Accumulated depreciation and impairment								
Balances as at 1st October, 2019	-	**9.6**	**543.7**	**0.5**	**0.0**	-	-	**553.8**
Depreciation for the year	-	12.2	802.8	0.5	0.2	0.0	0.0	**815.7**
Balances as at 30th September, 2020	-	**21.8**	**1,346.5**	**1.0**	**0.2**	**0.0**	**0.0**	**1,369.5**

Description of Assets	Land (Free hold)	Building	Plant & Equipment	Furniture and Fixtures	Office Equipments	Computer Equipment	Vehicles	Total
Carrying Amount :								
As at 1st October, 2019	**188.1**	**198.1**	**28,755.6**	**4.2**	**0.3**	-	-	**29,146.3**
As at 30th September, 2020	**188.1**	**185.9**	**28,385.1**	**4.0**	**3.8**	**1.5**	**0.9**	**28,769.3**

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3.2 Capital Work-In-Progress

(₹ in Million)

Particulars	As at 30th September, 2020
Balances as at 1st October, 2019	**120.0**
Expenditure incurred during the year	426.8
Capital Inventory	21.7
Less: Capitalized during the year	(438.7)
Balances as at 30th September, 2020	**129.8**

3.3 Intangible Assets

(₹ in Million)

Description of Assets	Computer Software	Total
I. Gross Carrying Value		
Balance as at 1st October, 2019	-	-
Additions during the year	0.3	**0.3**
Disposals during the year		-
Balances as at 30th September, 2020	**0.3**	**0.3**
II. Accumulated Amortisation		
Balance as at 1st October, 2019	-	-
Amortisation Charge during the year	0.0	**0.0**
Eliminated on disposal of asset during the year		-
Balances as at 30th September, 2020	**0.0**	**0.0**
Net Carrying Value as at 30th September, 2020	**0.3**	**0.3**

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4	**Non-current Financial Assets- Others**		**As at 30th September, 2020 (₹ in Million)**
	(Unsecured, considered good)		
	Financial Asset Under Service Concession Arrangement (SCA)		1,287.8
	Security deposit		4.8
	Balances held as Margin Money or security against borrowings		1,255.8
		Total	**2,548.4**

5	**Income Tax Assets**		**As at 30th September, 2020 (₹ in Million)**
	Advance Income Tax		398.2
		Total	**398.2**

6	**Other Non-current Assets**		**As at 30th September, 2020 (₹ in Million)**
	(Unsecured, considered good)		
	Capital advances		1,145.7
		Total	**1,145.7**

7	**Inventories**		**As at 30th September, 2020 (₹ in Million)**
	(At lower of Cost and Net Realisable Value)		
	Stores & spares		4.6
		Total	**4.6**

8	**Current Financial Assets - Investments**	**Face value of ₹ unless otherwise specified**	**No.of units**	**As at 30th September, 2020 (₹ in Million)**
	Investment in Mutual Funds units at FVTPL (Unquoted)			
	ICICI Prudential Overnight Fund Direct Plan	100	137,489.36	15.0
	ICICI Prudential Liquid Fund Direct Growth	1000	92,674.40	27.8
	Kotak Overnight Fund Direct Growth	1000	120,175.74	130.0
	HDFC Overnight Fund- Direct Plan-Growth	1000	106,198.20	320.0
	SBI Overnight Fund Direct Growth	1000	54,533.55	180.1
	NIPPON INDIA LIQUID FUND DIRECT GROWTH PLAN	1000	8,237.48	40.8
	NIPPON INDIA OVERNIGHT FUND -DIRECT GROWTH	100	264,870.29	28.8
	Aditya Birla Overnight Fund Growth -Direct Plan	1000	31,058.56	34.1
	EDELWEISS OVERNIGHT FUND DIRECT PLAN GROWTH	1000	11,893.46	12.5
			Total	**789.1**
	Aggregate carrying value of unquoted investments			**789.1**

9	**Trade Receivables**		**As at 30th September, 2020 (₹ in Million)**
	Trade receivables (Unsecured, Considered good)		1,157.4
	Credit Impaired		-
			1,157.4
	Less : Expected Credit Loss		-
		Total	**1,157.4**

Adani Transmission Limited

Trade receivables

Age of Receivables	**As at 30th September, 2020 (₹ in Million)**
Within the Credit Period	1,157.4
Above the Credit Period	0.0
	1,157.4

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.

10 Cash and Cash Equivalents

		As at 30th September, 2020 (₹ in Million)
Balances with banks		
In current accounts		132.8
Fixed Deposits (with original maturity for three months or less)		35.2
	Total	**168.0**

11 Bank Balance other than Cash and Cash Equivalents

		As at 30th September, 2020 (₹ in Million)
Fixed Deposit - Margin Money (Lodged against Debt Service Reserve Account)		1.2
Fixed Deposits (with original maturity for more than three months)		630.5
	Total	**631.7**

12 Loans - At Amortised Cost
(Unsecured, Considered Good)

		As at 30th September, 2020 (₹ in Million)
Loans to employees		0.0
	Total	**0.0**

13 Current Financial Assets - Others
(Unsecured, considered good, unless otherwise stated)

		As at 30th September, 2020 (₹ in Million)
Interest receivable		5.0
Unbilled Revenue		587.7
Financial Asset Under Service Concession Arrangement (SCA)		14.6
Security deposit		3.1
Derivative instruments designated in hedge accounting relationship		3.3
	Total	**613.7**

14 Other Current Assets
(Unsecured, considered good)

		As at 30th September, 2020 (₹ in Million)
Advance to Suppliers		10.0
Balances with Government authorities		34.6
Prepaid Expenses		8.8
Advance to Employees		0.3
	Total	**53.7**

15 Net Parent Investment

		As at 30th September, 2020 (₹ in Million)
Net Parent Equity Investment		9,536.6
Instrument entirely equity in nature issued for the period		(6,080.6)
Profit for the period (after tax)		1,579.3
Other Comprehensive Income for the period (after tax)		(59.9)
Net Parent Investment	**Total**	**4,975.4**

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

15.1 Other Equity

		As at 30th September, 2020 (₹ in Million)
a. Surplus in the Statement of Profit and Loss		
Opening Balance		782.5
Add : Profit for the period		1,579.3
	Total (a)	**2,361.8**
b. Effective portion of cashflow Hedge		
Opening Balance		-
Add/ (Less) : Reduction on account of cash flow hedge		(80.0)
Add/ (Less) : Tax Relating to cash flow hedge		20.1
	Total (b)	**(59.9)**
	Total (a+b)	**2,301.9**

Note :

a. Retained earnings represents the amount that can be distributed by the Company as dividends considering the requirements of the Companies' Act, 2013.

b. 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.

16 Non current Financial Liabilities - Borrowings

	Non-current As at 30th September, 2020 (₹ in Million)	Current As at 30th September, 2020 (₹ in Million)
5.20% US Private Placement Notes	27,897.6	855.2
Unsecured borrowings		
From Related Parties	140.8	
Total	**28,038.4**	**855.2**
Less: Amount disclosed under the head "Current financial liabilities-Others"		(855.2)
Total	**28,038.4**	**-**

Notes

During March-2020 , the Group (Six companies as issuer and one company as non-issuer) has completed US Private Placement transaction by issuance of USD 400 Million , 5.20% notes to eligible International Investors maturing in 2050.The said borrowings have been hedged using various hedging instruments.

Security

5.20% US Private Placement Notes are secured/to be secured by first ranking charge on receivables, on all immovable and movable assets, charge or assignment of rights under Transmission Service Agreement and other project documents, charge or assignment of rights and/or designation of the Security Trustee as loss payee under each insurance contract in respect of Project. The Notes are also secured by way of pledge over 100% of shares of the Group held by Holding Entity, i.e. Adani Transmission Limited.

Terms of Repayment

5.20%, 394.1 Million USD Denominated Notes aggregating ₹ 29,072.8 Million 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.

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17 Non Current Financial Liabilities - Others

	As at 30th September, 2020 (₹ in Million)
Retention Money & Capital Creditors	64.6
Interest Accrued but Not Due-Non Current	107.2
Total	**171.8**

18 Provisions

	Non-Current	Current
	As at 30th September, 2020 (₹ in Million)	As at 30th September, 2020 (₹ in Million)
Provision for Employee Benefits	0.4	2.2
Total	**0.4**	**2.2**

19 Deferred Tax Liabilities (net)

	As at 30th September, 2020 (₹ in Million)
Deferred Tax Liabilities	
Timing difference between book and tax depreciation	883.5
Less:- Mat Credit entitlement	-
Net deferred tax liabilities — **Total**	**883.5**

Deferred Tax relates to following:

Particulars	As at 30th September, 2020 (₹ in Million)
Deferred Tax Liabilities	
Difference between book base and tax base of property, plant and equipments/SCA Receivables	(2,018.5)
M2M Gain on Mutual Funds	(0.3)
Gross Deferred Tax Liabilities (a)	**(2,018.8)**
Deferred Tax Assets	
Hedge Reserve - OCI	20.1
Unabsorbed Depreciation	1,115.2
Gross Deferred Tax Assets (b)	**1,135.3**
MAT Credit Entitlement (c)	-
Net Deferred Tax Liabilities (a+b-c)	**(883.5)**

Movement in deferred tax liabilities (net) as on 30th September, 2020 (₹ in Million)

Particulars	Opening Balance as at 1st October, 2019	Recognised in profit and loss	Recognised in OCI	Closing Balance as at 30th September, 2020
Tax effect of items constituting deferred tax liabilities:				
Difference between book base and tax base of property, plant and equipment/SCA Receivables	(2,511.9)	493.4	-	**(2,018.5)**
M2M gain on Mutual Funds	-	(0.3)	-	**(0.3)**
Total (a)	**(2,511.9)**	**493.1**	**-**	**(2,018.8)**
Tax effect of items constituting deferred tax assets:				
Hedge Reserve-OCI	-	-	20.1	**20.1**
Unabsorbed Depreciation	2,054.5	(939.3)	-	**1,115.2**
Total (b)	**2,054.5**	**(939.3)**	**20.1**	**1,135.3**
MAT Credit Entitlement (c)	**329.9**	**(329.9)**	**-**	**-**
Net Deferred Tax Asset/(Liabilities) (a+b+c)	**(127.5)**	**(776.1)**	**20.1**	**(883.5)**

20 Current Financial Liabilities - Borrowings

	As at 30th September, 2020 (₹ in Million)
Unsecured Borrowings	
From Holding/Parent Company	822.2
Total	**822.2**

21 Trade Payables

	As at 30th September, 2020 (₹ in Million)
Trade Payables	
- Micro and Small Enterprises	2.1
- Other than Micro and Small Enterprises	227.1
Total	**229.2**

The Disclosure in respect of the amounts payable to Micro and Small Enterprises have been made in the Special Purpose Combined Financial Statement based on the information received and available with the Group. The Group has not received any claim for interest from any supplier as at the balance sheet date. These facts have been relied upon by the auditors.

	As at 30th September, 2020 (₹ in Million)
(a) the principal amount remaining unpaid to any supplier at the end of each accounting year	2.1
(b) Interest due on principal amount remaining unpaid to any supplier at the end of each accounting year	-
(c) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-
(d) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-
(e) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-
(f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-

22 Current Financial Liabilities - Others

	As at 30th September, 2020 (₹ in Million)
Current maturities of long-term borrowings (Secured)	855.2
Interest accrued but not due on borrowings	201.4
Payable on purchase of Property, Plant and Equipment	10.4
Derivative Instruments designated in hedge accounting relationship	365.8
Security Deposit	0.0
Total	**1,432.8**

(Transactions below ₹ 5000.00 denoted as ₹ 0.00 Million)

23 Other Current Liabilities

	As at 30th September, 2020 (₹ in Million)
Statutory liabilities	41.4
Other Payables	0.2
Total	**41.6**

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24 Revenue from Operations

		For the twelve months ended 30th September, 2020 (₹ in Million)
Income from transmission line (Refer Note Below)		6,202.8
Income under Service Concession Arrangements (SCA) (Refer Note-37)		199.9
	Total	**6,402.7**

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 twelve months ended (₹ in Million)**
Trade receivables (refer note 9)	1,157.4
Contract assets (refer note 13)	587.7
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 twelve months ended 30th September, 2020 (₹ in Million)**
Revenue as per contracted price	6,271.1
Adjustments	
Discounts	68.3
Revenue from contract with customers	**6,202.8**

25 Other Income

		For the twelve months ended 30th September, 2020 (₹ in Million)
Interest Income- Bank		29.1
Interest Income- Others		4.0
Gain on Sale/Fair Value of Current Investments measured at FVTPL		30.1
Scrap Sale		0.6
Miscellaneous Income		7.2
	Total	**71.0**

26 Operating expenses

		For the twelve months ended 30th September, 2020 (₹ in Million)
Maintenance of Transmission Line		152.1
Other Operating Expenses		2.6
	Total	**154.7**

27 Employee Benefits Expense

		For the twelve months ended 30th September, 2020 (₹ in Million)
Salaries, Wages and Bonus		19.6
Contribution to Provident and Other Funds		1.4
Staff Welfare Expenses		0.3
	Total	**21.3**

28 Finance costs

		For the twelve months ended 30th September, 2020 (₹ in Million)
Interest Expenses		1,939.6
Interest on Intercorporate Deposit		136.3
Interest on Lease Obligation		3.8
Bank Charges & Other Borrowing Costs		485.2
Loss on Derivatives Contracts & Exchange rate difference (net)		625.6
	Total	**3,190.5**

29 Other Expenses

		For the twelve months ended 30th September, 2020 (₹ in Million)
Rent Expenses		1.0
Legal & Professional Expenses		28.1
Communication Expenses		5.3
Travelling & Conveyance Expenses		11.8
Insurance Expenses		8.2
Corporate Social Responsibility expenses		10.0
Advertisement & Selling expense		0.3
Brokerage charges		0.0
Miscellaneous Expenses		6.5
	Total	**71.2**

30 Income Tax Expenses

		For the twelve months ended 30th September, 2020 (₹ in Million)
Current Tax		
In respect of current year		250.8
In respect of Previous year		(393.2)
Deferred Tax		776.1
	Total	**633.7**

Tax recognised in other comprehensive income		For the twelve months ended 30th September, 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		20.1
	Total	**20.1**

Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will be reclassified to statement of profit and loss		20.1
Items that will not be reclassified to statement of profit and loss		-
	Total	**20.1**

Note:

Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ("Ordinance") issued by Ministry of Law and Justice (Legislative Department) on September 20, 2019 effective from April 01, 2019, domestic companies have the option to pay Corporate income tax rate at 22% plus applicable surcharge and cess ("New tax rate") subject to certain conditions. Based on the assessment, the company has chosen to exercise the option of New tax rate. Accordingly the company have:

a) Made the provision for current tax and deferred tax at the rate of 25.17%
b) Written off unutilised credit for Minimum Alternate Tax aggregating to ₹ 329.9 Million.

Further, Ind AS 12 requires deferred tax assets and liabilities to be measured using the enacted (or substantively enacted) tax rates expected to apply to taxable income in the years in which the temporary differences are expected to reverse. The company has re-measured the outstanding deferred tax balances at New tax rate and amounts of ₹ 446.2 Million have been charged in the Statement of Profit and Loss during twelve months ended 30th September, 2020..

31 Contingent liabilities and Commitments

	As at 30th September, 2020 (₹ in Million)
(i) Contingent liabilities :	
Direct tax	0.2
Indirect tax - VAT , Service Tax and Entry Tax	127.5
	127.7
(ii) Commitments :	
Estimated amount of contracts remaining to be executed on capital account (net of capital advances)	62.4
	62.4

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

Particulars	As at 30th September, 2020	
	₹ in Million	Foreign Currency (USD in Million)
Import Creditors and Acceptances	154.8	2.1

b) Foreign Currency Risk Sensitivity
A change of 1% in Foreign currency would have following impact on profit before tax

Particulars	As at 30th September, 2020	
	1% Increase	1% Decrease
Risk Sensitivity		
Rupee / USD - (Increase) / Decrease	(1.5)	1.5

33 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 period..

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 twelve months ended as at 30th September, 2020

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	30th September, 2020
Total Borrowings (Including current maturities of long term borrowings)	16, 20 & 22	29,715.8
Less: Cash and Bank Balance	10 & 11	799.7
Net Debt (A)		**28,916.1**
Total Equity (B)	15	4,975.4
Total Equity and Net Debt (C=A+B)		**33,891.5**
Gearing Ratio (A/C)		**0.85**

34 **Fair Value Measurement :**

a) The carrying value of financial instruments by categories as of 30th September, 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	-	789.1	-	789.1	789.1
Trade Receivables	-	-	1,157.4	1,157.4	1,157.4
Cash and Cash Equivalents	-	-	168.0	168.0	168.0
Bank balances other than above	-	-	631.7	631.7	631.7
Derivative Instruments	(59.9)	63.2	-	3.3	3.3
Other Financial Assets	-	-	3,158.8	3,158.8	3,158.8
Total	**(59.9)**	**852.3**	**5,115.9**	**5,908.3**	**5,908.3**
Financial Liabilities					
Borrowings (Including current maturities and interest accrued)	-	-	30,024.4	30,024.4	30,024.4
Derivative Instrument		365.8	-	365.8	365.8
Other Financial Liabilities	-	-	75.0	75.0	75.0
Trade Payables	-	-	229.2	229.2	229.2
Total	**-**	**365.8**	**30,328.6**	**30,694.4**	**30,694.4**

35 **Fair Value hierarchy :**

(₹ in Million)

Particulars	30th September, 2020 Level 2
Assets	
Investments in unquoted Mutual Funds measured at FVTPL	789.1
Derivative instruments designated in hedge accounting relationship	3.3
Total	**792.4**
Liabilities	
Derivative instruments designated in hedge accounting relationship	365.8
Borrowings (Including current maturities and interest accrued)	30,024.4
Total	**30,390.2**

36 **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 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)

30th September, 2020	Less than 1 year	1-5 years	Over 5 years	Total
Borrowings (Including current maturities)	1,721.8	3,273.7	24,720.3	29,715.8
Trade Payables	229.2	-	-	229.2
Other financial Liabilities	684.8	64.6	-	749.4

37 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 licence 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	For the twelve months ended 30th September, 2020
1	SCA Revenue Recognised (Including Construction Revenue)	199.9
2	Profit after tax for the period	41.6

38 Related party disclosures :

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

> Holding Entity	Adani Transmission Limited
> Key Managerial Personnel (KMP)	Mr. Gautam S. Adani, Chairman Mr. Anil Sardana, Managing Director and Chief Executive Officer (w.e.f. 10th May, 2018) Mr. Kaushal Shah, Chief Financial Officer 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	Maru Transmission Service Company Limited. Jam Khambaliya Transco Limited Aravali Transmission Service Company Limited. Maharashtra Eastern Grid Power Transmission Company Limited Ghatampur Transmission Limited
> Entities under Common Control with whom there are transactions during the period	Adani Infra (India) Limited RAIPUR ENERGEN LTD 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 Twelve Months Ended	30th September, 2020	30th September, 2020	30th September, 2020
Interest Expense	136.3	-	-
Loan Taken	2,197.7	-	-
Loan Repaid back	2,513.8	-	-
Sale on Inventory	-	0.2	1.7
Professional & Consultancy Fees	0.3	-	-
Redemption of Optionally Convertible Redeemable Debentures	6,080.6	-	-
Purchase of Goods	-	-	98.5
Equipment Hire Charges	-	0.1	-
Operation and Maintenance Expense	-	-	133.4

(B) Balances with Related Parties

(₹ in Million)

Particulars	With Holding Company	With Fellow Subsidiaries	With Other Parties
As at	30th September, 2020	30th September, 2020	30th September, 2020
Unsecured Loans	963.1	-	-
Interest Accrued but not due	227.9	-	-
Capex Advance	-	-	1,148.8
Accounts Receivables	-	0.1	2.0
Accounts Payable	-	0.2	43.7

39 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 likely adverse impact on business and financial risks on account of Covid-19, and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the Group's ability to continue as a going concern and meeting its liabilities as and when they fall due, and compliance with the debt covenants, as applicable.

For ,
ADANI TRANSMISSION LIMITED

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

KAUSHAL SHAH
Chief Financial Officer

Adani Transmission Limited

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 2nd November, 2020

adani Transmission

Unaudited Aggregated Financial Statements for the 6 months period ended on September 30, 2020 with comparative financial statement for 6 months period ended on September 30, 2019

Special Purpose Combined Balance Sheet as at 30th September, 2020

(₹ in Million)

Particulars	Note	As at 30th September, 2020	As at 30th September, 2019
ASSETS			
Non-current Assets			
Property, Plant and Equipment	3.1	28,769.3	29,146.3
Capital Work-In-Progress	3.2	129.8	120.0
Right of Use Assets (Net)		187.6	193.5
Intangible Assets	3.3	0.3	-
Financial Assets			
- Other Financial Assets	4	2,548.4	1,317.7
Income Tax Assets	5	398.2	14.7
Other Non-current Assets	6	1,145.7	82.3
Total Non-current Assets		**33,179.3**	**30,874.5**
Current Assets			
Inventories	7	4.6	-
Financial Assets			
(i) Investments	8	789.1	714.9
(ii) Trade Receivables	9	1,157.4	832.4
(iii) Cash and Cash Equivalents	10	168.0	241.0
(iv) Bank Balance other than (iii) above	11	631.7	299.2
(v) Loans	12	0.0	-
(v) Other Financial Assets	13	613.7	598.8
Other Current Assets	14	53.7	60.0
Total Current Assets		**3,418.2**	**2,746.3**
Total Assets		**36,597.5**	**33,620.8**
EQUITY AND LIABILITIES			
Equity			
Net Parent Investment	15	4,975.4	9,536.6
Total Equity		**4,975.4**	**9,536.6**
Liabilities			
Non-current Liabilities			
Financial Liabilities			
(i) Borrowings	16	28,038.4	20,415.2
(ii) Other Financial Liabilities	17	171.8	321.8
Provisions	18	0.4	0.8
Deferred Tax Liabilities (Net)	19	883.5	127.5
Total Non-current Liabilities		**29,094.1**	**20,865.3**
Current Liabilities			
Financial Liabilities			
(i) Borrowings	20	822.2	1,279.2
(ii) Trade Payables			
(A) Total outstanding dues of micro enterprises and small enterprises		2.1	0.1
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	21	227.1	61.1
(iii) Other Financial Liabilities	22	1,432.8	1,756.8
Other Current Liabilities	23	41.6	10.7
Provisions	18	2.2	1.1
Current Tax liabilities	24	-	109.9
Total Current Liabilities		**2,528.0**	**3,218.9**
Total Equity and Liabilities		**36,597.5**	**33,620.8**

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

For,

ADANI TRANSMISSION LIMITED

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

KAUSHAL SHAH
Chief Financial Officer

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 2nd November, 2020

USPP Pool

Special Purpose Combined Statement of Profit and Loss for six months ended 30th September, 2020

adani
Transmission

(₹ in Million)

Particulars	Note	For Six months ended 30th September, 2020	For Six months ended 30th September, 2019
Income			
Revenue from Operations	25	3,205.6	3,006.8
Other Income	26	43.8	16.5
Total Income		**3,249.4**	**3,023.3**
Expenses			
Operating expenses	27	88.0	103.3
Employee Benefits Expense	28	10.7	3.8
Finance Costs	29	1,466.4	1,212.6
Depreciation and Amortisation Expense	3.1, 3.3	414.4	374.0
Other Expenses	30	35.8	25.8
Total Expenses		**2,015.3**	**1,719.5**
Profit Before Tax for the Period		**1,234.1**	**1,303.8**
Tax Expense:	31		
Current Tax		79.9	227.6
Current Tax relating to earlier periods		(393.2)	-
Deferred Tax		653.1	111.0
		339.8	**338.6**
Profit After Tax for the Period	**Total A**	**894.3**	**965.2**
Other Comprehensive Income			
(a) Items that will not be reclassified to Profit or Loss		-	-
(b) Tax relating to items that will not be reclassified to Profit or Loss		-	-
(c) Items that will be reclassified to profit or loss		14.8	-
(d)Tax relating to items that will be reclassified to Profit or Loss		(7.5)	-
Other Comprehensive Income for the Period (Net of Tax)	**Total B**	**7.3**	**-**
Total Comprehensive Income for the Period	**Total (A+B)**	**901.6**	**965.2**

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

For ,
ADANI TRANSMISSION LIMITED

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

KAUSHAL SHAH
Chief Financial Officer

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 2nd November, 2020

USPP Pool

Special Purpose Combined Statement of Cash Flows for six months ended 30th September, 2020

adani Transmission

(₹ in Million)

Particulars	For the Six months ended 30th Sept, 2020	For the Six months ended 30th Sept, 2019
A. Cash flow from operating activities		
Profit before tax	1,234.1	1,303.8
Adjustments for:		
Finance Costs	1,466.4	1,212.6
Depreciation Expense	414.4	374.0
Gain on Sale/Fair Value of Current Investments through Profit & Loss	(7.3)	(16.1)
Interest Income	(30.0)	-
Operating profit before working capital changes	**3,077.6**	**2,874.3**
Changes in Working Capital:		
(Increase) / Decrease in Operating Assets :		
Loans and Other Financial Assets and Other Assets	270.4	(319.4)
Inventories	(2.7)	-
Trade Receivables	(111.0)	(478.6)
Increase / (Decrease) in Operating Liabilities :		
Other Financial Liabilities, Other Liabilities and Provision	25.6	(9.2)
Trade Payables	(147.1)	(12.3)
Cash generated from operations	**3,112.8**	**2,054.8**
Taxes paid (Net of Income tax Refund)	(76.2)	(155.4)
Net cash generated from operating activities (A)	**3,036.6**	**1,899.4**
B. Cash flow from investing activities		
Financial Assets under Service Concession Arrangements	2.5	16.6
Payments of Capital expenditure on Property, Plant and Equipment, Intangible Asset (including capital advance)(Net)	(315.0)	(524.0)
Sale/(Purchase) of current investment (net)	(774.4)	(367.3)
Proceeds from / (Deposits in) Bank deposits (net) (Including Margin money deposit)	(616.0)	(208.6)
Interest received	25.0	0.0
Net cash used in investing activities (B)	**(1,677.9)**	**(1,083.3)**
C. Cash flow from financing activities		
Net Proceeds from Long Term Borrowings	(296.3)	246.5
Net Proceeds from Short Term Borrowings	(188.4)	(32.2)
Proceeds from issue of share capital	-	-
Redemption of Optionally Convertible Redeemable Debentures	-	-
Payment of lease	(4.0)	(4.0)
Finance Cost paid	(1,230.8)	(1,171.0)
Net cash generated from financing activities (C)	**(1,719.5)**	**(960.7)**
Net decrease in cash and cash equivalents (A+B+C)	**(360.8)**	**(144.6)**
Cash and cash equivalents at the beginning of the period	528.8	385.6
Cash and cash equivalents at the end of the period (Refer note 10)	**168.0**	**241.0**

Cash and cash equivalent includes - Refer Note 10	As at 30th September, 2020	As at 30th September, 2019
Balances with banks		
In current accounts	**168.0**	**241.0**
	168.0	**241.0**

Disclosure as per Ind AS 7 Statement of Cash Flows:

The Ind AS 7 require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Group has provided the information for current period.

Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is given as below.

(₹ in Million)

Particulars	1st April, 2020	Cash Flows	Foreign Exchange Management	Other	30th September, 2020
Long-term Borrowings (Including Current Maturities of Long Term Debt)	29,978.8	(296.3)	(756.1)	(32.8)	28,893.6
Short term Borrowings	1,010.6	(188.4)	-	-	822.2
Total	**30,989.4**	**(484.7)**	**(756.1)**	**(32.8)**	**29,715.8**

Particulars	1st April, 2019	Cash Flows	Foreign Exchange Management	Other	30th September, 2019
Long-term Borrowings (Including Current Maturities of Long Term Debt)	20,937.8	246.5	(5.5)	10.1	21,188.9
Short term Borrowings	1,311.4	(32.2)	-	-	1,279.2
Compulsory Convertible Debentures	6,080.6	-	-	-	6,080.6
Total	**28,329.8**	**214.3**	**(5.5)**	**10.1**	**22,468.1**

Adani Transmission Limited

Notes to Special Purpose Interim 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. Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is given as above.

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

For ,
ADANI TRANSMISSION LIMITED

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

KAUSHAL SHAH
Chief Financial Officer

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 2nd November, 2020

Adani Transmission Ltd.

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 House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009, Gujarat, India.

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 six months ended 30th September, 2020 and 30th September, 2019 (referred to as "Period"). 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, Unsecured Perpetual Debt 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.

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 ₹ 5000.00 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.

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.

Adani Transmission Limited

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.

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

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.

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.

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.

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(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.

(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.

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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.

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.

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r **Assets covered under Service Concession Arrangement**

One of 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 – "Revenue from Contracts with Customers", these arrangements are accounted for based on the nature of the consideration. 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. For fulfilling those obligations, the Company is entitled to receive either cash from consideration received or receivable from the grantor or a contractual right to charge the users of the service. The allocated by reference to the relative fair values of the services provided; typically: a) Construction component b) A service element for operating and maintenance services performed . The right to consideration gives rise to financial asset: 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**

Effective from 1st April, 2019, The Group adopted Ind AS 116 – Leases and applied the standard to all lease contracts existing as on 1st April, 2019 using the modified retrospective method on the date of initial application i.e. 1st April, 2019.

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. There is no such notification which would have been applicable from April 1, 2020.

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.

3.1. Property, Plant and Equipment, Intangible Assets and Capital Work in Progress (₹ 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 period	-	-	2,977.3	-	0.0	-	-	2,977.3
Balances as at 30th September, 2019	188.1	207.7	29,299.3	4.7	0.3	-	-	29,700.1
Additions during the period	-	-	287.1	0.2	2.1	-	-	289.4
Balances as at 31st March, 2020	188.1	207.7	29,586.4	4.9	2.4	-	-	29,989.5
Additions during the period	-	-	145.2	0.2	1.6	1.5	0.8	149.3
Balances as at 30th September, 2020	188.1	207.7	29,731.6	5.1	4.0	1.5	0.8	30,138.8
II. Accumulated depreciation and impairment								
Balances as at 1st April, 2019	-	3.5	179.6	0.2	0.1	-	-	183.4
Depreciation for the period	-	6.1	364.0	0.2	0.1	-	-	370.4
Balances as at 30th September, 2019	-	9.6	543.6	0.4	0.2	-	-	553.8
Depreciation for the period	-	6.1	398.7	0.2	0.0			405.0
Balances as at 31st March, 2020	-	15.7	942.3	0.6	0.2	-	-	958.8
Depreciation for the period	-	6.1	404.1	0.2	0.2	0.1	0.0	410.7
Balances as at 30th September, 2020	-	21.8	1,346.4	0.8	0.4	0.1	0.0	1,369.5

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 30th September, 2019	188.1	198.1	28,755.7	4.3	0.1	-	-	29,146.3
As at 31st March, 2020	188.1	192.0	28,644.1	4.3	2.2	-	-	29,030.7
As at 30th September, 2020	188.1	185.9	28,385.2	4.3	3.6	1.4	0.8	28,769.3

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3.2 Capital Work-In-Progress

(₹ in Million)

Particulars	As at 30th September, 2020	As at 30th September, 2019
Opening balance as at 1st April	**23.2**	**2,661.2**
Expenditure incurred during the year	163.2	621.5
Capital Inventory	92.7	(185.4)
Less: Capitalized during the year	(149.3)	(2,977.3)
Closing Balance as at 30th September	**129.8**	**120.0**

3.3 Intangible Assets

(₹ in Million)

Description of Assets	Computer Software	Total
I. Gross Carrying Value		
Balances as at 1st April, 2019	-	-
Additions during the period	-	-
Balances as at 30th September, 2019	-	-
Additions during the period	-	-
Balances as at 31st March, 2020	-	-
Additions during the period	0.3	0.3
Balances as at 30th September, 2020	**0.3**	**0.3**
II. Accumulated Amortisation		
Balances as at 1st April, 2019	-	-
Amortisation Charge during the period	-	-
Balances as at 30th September, 2019	-	-
Amortisation Charge during the period	-	-
Balances as at 31st March, 2020	-	-
Amortisation Charge during the period	0.0	-
Balances as at 30th September, 2020	**0.0**	**0.0**
Net Carrying Value as at 1st April, 2019	-	-
Net Carrying Value as at 30th September, 2019	-	-
Net Carrying Value as at 31st March, 2020	-	-
Net Carrying Value as at 30th September, 2020	**0.3**	**0.3**

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4 Non-current Financial Assets- Others

(Unsecured, considered good)	As at 30th September, 2020 (₹ in Million)	As at 30th September, 2019 (₹ in Million)
Financial Asset Under Service Concession Arrangement (SCA)	1,287.8	1,313.2
Security deposit	4.8	4.4
Balances held as Margin Money or security against borrowings	1,255.8	0.1
Total	**2,548.4**	**1,317.7**

5 Income Tax Assets

	As at 30th September, 2020 (₹ in Million)	As at 30th September, 2019 (₹ in Million)
Advance Income Tax	398.2	14.7
Total	**398.2**	**14.7**

6 Other Non-current Assets

(Unsecured, considered good)	As at 30th September, 2020 (₹ in Million)	As at 30th September, 2019 (₹ in Million)
Capital advances	1,145.7	82.3
Total	**1,145.7**	**82.3**

7 Inventories

(At lower of Cost and Net Realisable Value)	As at 30th September, 2020 (₹ in Million)	As at 30th September, 2019 (₹ in Million)
Stores & spares	4.6	-
Total	**4.6**	**-**

8 Current Financial Assets - Investments

	Face value of ₹ unless otherwise specified	No.of units	As at 30th September, 2020 (₹ in Million)	As at 30th September, 2019 (₹ in Million)
Investment in Mutual Funds units at FVTPL (Unquoted)				
ICICI Prudential Overnight Fund Direct Plan	100	137,489.36	15.0	-
ICICI Prudential Liquid Fund Direct Growth	1000	92674.398 (P.Y. 17,86,959.46)	27.8	510.5
Kotak Overnight Fund Direct Growth	1000	120,175.74	130.0	-
HDFC Overnight Fund- Direct Plan-Growth	1000	106,198.20	320.0	-
SBI Overnight Fund Direct Growth	1000	54,533.55	180.1	-
NIPPON INDIA LIQUID FUND DIRECT GROWTH PLAN	1000	8,237.48	40.8	-
NIPPON INDIA OVERNIGHT FUND -DIRECT GROWTH	100	264,870.29	28.8	-
Aditya Birla Overnight Fund Growth -Direct Plan	1000	31,058.56	34.1	-
EDELWEISS OVERNIGHT FUND DIRECT PLAN GROWTH	1000	11,893.46	12.5	-
Edelweiss Liquid Fund - Direct Plan Growth	1000	Nil (P.Y. 45,895.21)	-	114.1
YES LIQUID FUND DIRECT GROWTH	1000	Nil (P.Y. 85,995.42)	-	90.3
		Total	**789.1**	**714.9**
Aggregate carrying value of unquoted investments			**789.1**	**714.9**

9 Trade Receivables

	As at 30th September, 2020 (₹ in Million)	As at 30th September, 2019 (₹ in Million)
Trade receivables (Unsecured, Considered good)	1,157.4	832.4
Credit Impaired	-	-
	1,157.4	**832.4**
Less : Expected Credit Loss	-	-
Total	**1,157.4**	**832.4**

Trade receivables

Age of Receivables	As at 30th September, 2020 (₹ in Million)	As at 30th September, 2019 (₹ in Million)
Within the Credit Period	1,157.4	832.4
Above the Credit Period	0.0	-
	1,157.4	**832.4**

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.

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10 Cash and Cash Equivalents

		As at 30th September, 2020 (₹ in Million)	As at 30th September, 2019 (₹ in Million)
Balances with banks			
In current accounts		132.8	241.0
Fixed Deposits (with original maturity for three months or less)		35.2	-
	Total	**168.0**	**241.0**

11 Bank Balance other than Cash and Cash Equivalents

		As at 30th September, 2020 (₹ in Million)	As at 30th September, 2019 (₹ in Million)
Balances held as Margin Money			
Fixed Deposit - Margin Money (Lodged against Debt Service Reserve Account)		1.2	299.2
Fixed Deposits (with original maturity for more than three months)		630.5	-
	Total	**631.7**	**299.2**

12 Loans - At Amortised Cost
(Unsecured, Considered Good)

		As at 30th September, 2020 (₹ in Million)	As at 30th September, 2019 (₹ in Million)
Loans to employees		0.0	-
	Total	**0.0**	-

13 Current Financial Assets - Others
(Unsecured, considered good, unless otherwise stated)

		As at 30th September, 2020 (₹ in Million)	As at 30th September, 2019 (₹ in Million)
Interest receivable		5.0	-
Unbilled Revenue		587.7	580.3
Financial Asset Under Service Concession Arrangement (SCA)		14.6	14.7
Security deposit		3.1	3.8
Derivative instruments designated in hedge accounting relationship		3.3	-
	Total	**613.7**	**598.8**

14 Other Current Assets
(Unsecured, considered good)

		As at 30th September, 2020 (₹ in Million)	As at 30th September, 2019 (₹ in Million)
Advance to Suppliers		10.0	14.5
Balances with Government authorities		34.6	34.5
Prepaid Expenses		8.8	11.0
Advance to Employees		0.3	0.0
	Total	**53.7**	**60.0**

(Transactions below ₹ 5000.00 denoted as ₹ 0.00 Million)

15 Net Parent Investment

		As at 30th September, 2020 (₹ in Million)	As at 30th September, 2020 (₹ in Million)
Net Parent Equity Investment		4,073.8	2,490.8
Instrument entirely equity in nature issued for the year		-	6,080.6
Profit for the period (after tax)		894.3	965.2
Other Comprehensive Income for the period (after tax)		7.3	-
Net Parent Investment	**Total**	**4,975.4**	**9,536.6**

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

15.1 Instrument entirely equity in nature

		As at 30th September, 2020 (₹ in Million)	As at 30th September, 2019 (₹ in Million)
0% Compulsory Convertible Debentures classified as Equity			
Nil (As at 30th September 2019 - 6,08,05,801) Debentures		-	6,080.6
	Total	-	**6,080.6**

15.2 Other Equity

		As at 30th September, 2020 (₹ in Million)	As at 30th September, 2019 (₹ in Million)
a. Surplus in the Statement of Profit and Loss			
Opening Balance		1,775.0	(182.7)
Add : Profit for the period		894.3	965.2
	Total (a)	**2,669.3**	**782.5**
b. Effective portion of cashflow Hedge			
Opening Balance		(67.2)	-
Add/ (Less) : Reduction on account of cash flow hedge		14.8	-
Add/ (Less) : Tax Relating to cash flow hedge		(7.5)	-
	Total (b)	**(59.9)**	
	Total (a+b)	**2,609.5**	**782.5**

Note :

a. Retained earnings represents the amount that can be distributed by the Company as dividends considering the requirements of the Companies' Act, 2013.

b. 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.

16 Non current Financial Liabilities - Borrowings

	Non-current		Current	
	As at 30th September, 2020 (₹ in Million)	As at 30th September, 2019 (₹ in Million)	As at 30th September, 2020 (₹ in Million)	As at 30th September, 2019 (₹ in Million)
Secured				
5.20% US Private Placement Notes	27,897.6	-	855.2	-
Term Loans				
From Banks				
Rupee loan	-	8,733.2	-	309.8
From Financial Institutions	-	11,405.1	-	463.9
Unsecured borrowings				
From Related Parties	140.8	-	-	-
Trade Credits				
From Banks	-	276.8	-	-
Total	**28,038.4**	**20,415.2**	**855.2**	**773.7**
Less: Amount disclosed under the head "Current financial liabilities-Others"			(855.2)	(773.7)
Total	**28,038.4**	**20,415.2**	**-**	**-**

Notes

During March-2020, the Group (Six companies as issuer and one company as non-issuer) has completed US Private Placement transaction by issuance of USD 400 Million , 5.20% notes to eligible International Investors maturing in 2050.The said borrowings have been hedged using various hedging instruments.

Security

5.20% US Private Placement Notes are secured/to be secured by first ranking charge on receivables, on all immovable and movable assets, charge or assignment of rights under Transmission Service Agreement and other project documents, charge or assignment of rights and/or designation of the Security Trustee as loss payee under each insurance contract in respect of Project. The Notes are also secured by way of pledge over 100% of shares of the Group held by Holding Entity, i.e. Adani Transmission Limited.

Terms of Repayment

(a) 5.20%, 394.1 Million USD Denominated Notes aggregating ₹ 29,072.8 Million 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.
(b) Trade Credits from Banks aggregating to ₹ Nil (P.Y ₹ 276.8 Million), Rupee Term loan from Bank aggregating to ₹ Nil (P.Y ₹ 9,055.79 Million) and Rupee term loan from Financial Institutions aggregating to ₹ Nil (P.Y ₹ 11,879.54 Million) and those have been repaid in full. Further before its repayment, it was secured by first charge on receivables of the company and on all immovable and movable assets of the company on pari passu basis.

17 Non Current Financial Liabilities - Others

		As at 30th September, 2020 (₹ in Million)	As at 30th September, 2019 (₹ in Million)
Retention Money & Capital Creditors		64.6	321.8
Interest Accrued but Not Due-Non Current		107.2	-
	Total	**171.8**	**321.8**

18 Provisions

	Non-Current		Current	
	As at 30th September, 2020 (₹ in Million)	As at 30th September, 2019 (₹ in Million)	As at 30th September, 2020 (₹ in Million)	As at 30th September, 2019 (₹ in Million)
Provision for Employee Benefits	0.4	0.8	2.2	1.1
Total	0.4	0.8	2.2	1.1

19 Deferred Tax Liabilities (net)

	As at 30th September, 2020 (₹ in Million)	As at 30th September, 2019 (₹ in Million)
Deferred Tax Liabilities		
Timing difference between book and tax depreciation	883.5	457.4
Less:- Mat Credit entitlement	-	(329.9)
Net deferred tax liabilities Total	883.5	127.5

Deferred Tax relates to following:

Particulars	As at 30th September, 2020 (₹ in Million)	As at 30th September, 2019 (₹ in Million)
Deferred Tax Liabilities		
Difference between book base and tax base of property, plant and equipments/SCA Receivables	(2,018.5)	(2,511.9)
M2M Gain on Mutual Funds	(0.3)	-
Gross Deferred Tax Liabilities (a)	(2,018.8)	(2,511.9)
Deferred Tax Assets		
Hedge Reserve - OCI	20.1	-
Unabsorbed Depreciation	1,115.2	2,054.5
Gross Deferred Tax Assets (b)	1,135.3	2,054.5
MAT Credit Entitlement (c)	-	(329.9)
Net Deferred Tax Liabilities (a+b-c)	(883.5)	(127.5)

(a) Movement in deferred tax liabilities (net) for Six months ended on 30th September, 2020 (₹ in Million)

Particulars	Opening Balance as at 1st April, 2020	Recognised in profit and loss	Recognised in OCI	Closing Balance as at 30th September, 2020
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)	1,305.9	-	(2,018.5)
M2M gain on Mutual Funds	(0.3)	0.0	-	(0.3)
Total (a)	(3,324.7)	1,305.9	-	(2,018.8)
Tax effect of items constituting deferred tax assets:				
Hedge Reserve-OCI	27.6	-	(7.5)	20.1
Unabsorbed Depreciation	2,573.4	(1,458.2)	-	1,115.2
Total (b)	2,601.0	(1,458.2)	(7.5)	1,135.3
MAT Credit Entitlement (c)	329.9	(329.9)	-	-
Net Deferred Tax Asset/(Liabilities) (a+b+c)	(393.8)	(482.2)	(7.5)	(883.5)

(b) Movement in deferred tax liabilities (net) for Six months ended on 30th September, 2019 (₹ in Million)

Particulars	Opening Balance as at 1st April, 2019	Recognised in profit and loss	Recognised in OCI	Closing Balance as at 30th September, 2019
Tax effect of items constituting deferred tax liabilities:				
Difference between book base and tax base of property, plant and equipment	(354.1)	(2,157.8)	-	(2,511.9)
Total (a)	(354.1)	(2,157.8)	-	(2,511.9)
Tax effect of items constituting deferred tax assets:				
Unabsorbed Depreciation	235.3	1,819.2	-	2,054.5
Total (b)	235.3	1,819.2	-	2,054.5
MAT Credit Entitlement (c)	92.1	237.8		329.9
Net Deferred Tax Asset/(Liabilities) (a+b+c)	(26.7)	(100.8)	-	(127.5)

20 Current Financial Liabilities - Borrowings

	As at 30th September, 2020 (₹ in Million)	As at 30th September, 2019 (₹ in Million)
Unsecured Borrowings		
From Holding/Parent Company	822.2	1,279.2
Total	822.2	1,279.2

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21 Trade Payables

	As at 30th September, 2020 (₹ in Million)	As at 30th September, 2019 (₹ in Million)
Trade Payables		
- Micro and Small Enterprises	2.1	0.1
- Other than Micro and Small Enterprises	227.1	61.1
Total	**229.2**	**61.2**

The Disclosure in respect of the amounts payable to Micro and Small Enterprises have been made in the Special Purpose Combined Financial Statement based on the information received and available with the Group. The Group has not received any claim for interest from any supplier as at the balance sheet date. These facts have been relied upon by the auditors.

	As at 30th September, 2020 (₹ in Million)	As at 30th September, 2019 (₹ in Million)
(a) the principal amount remaining unpaid to any supplier at the end of each accounting year	2.1	0.1
(b) Interest due on principal amount remaining unpaid to any supplier at the end of each accounting year	-	-
(c) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(d) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(e) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

22 Current Financial Liabilities - Others

	As at 30th September, 2020 (₹ in Million)	As at 30th September, 2019 (₹ in Million)
Current maturities of long-term borrowings (Secured)	855.2	773.7
Interest accrued but not due on borrowings	201.4	816.0
Payable on purchase of Property, Plant and Equipment	10.4	163.9
Derivative Instruments designated in hedge accounting relationship	365.8	3.0
Security Deposit	0.0	0.2
Total	**1,432.8**	**1,756.8**

23 Other Current Liabilities

	As at 30th September, 2020 (₹ in Million)	As at 30th September, 2019 (₹ in Million)
Statutory liabilities	41.4	10.6
Other Payables	0.2	0.1
Total	**41.6**	**10.7**

24 Current Tax Liabilities

	As at 30th September, 2020 (₹ in Million)	As at 30th September, 2019 (₹ in Million)
Current Tax	-	109.9
Total	**-**	**109.9**

25 Revenue from Operations

	For Six months ended 30th September, 2020 (₹ in Million)	For Six months ended 30th September, 2019 (₹ in Million)
Income from transmission line (Refer Note Below)	3,107.3	2,907.5
Income under Service Concession Arrangements (SCA) (Refer Note-38)	98.3	99.0
Other Operating Income	-	0.3
Total	**3,205.6**	**3,006.8**

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	As at 30th September, 2020 (₹ in Million)	As at 30th September, 2019 (₹ in Million)
Trade receivables (refer note 9)	1,157.4	832.4
Contract assets (refer note 13)	587.7	580.3
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 Six months ended 30th September, 2020 (₹ in Million)	For Six months ended 30th September, 2019 (₹ in Million)
Revenue as per contracted price	3,140.8	2,940.9
Adjustments		
Discounts	33.5	33.4
Revenue from contract with customers	**3,107.3**	**2,907.5**

26 Other Income

	For Six months ended 30th September, 2020 (₹ in Million)	For Six months ended 30th September, 2019 (₹ in Million)
Interest Income- Bank	29.1	-
Interest Income- Others	0.9	0.0
Gain on Sale/Fair Value of Current Investments measured at FVTPL	7.3	16.1
Sale of Scrap	0.3	0.4
Miscellaneous Income	6.2	-
Total	**43.8**	**16.5**

(Transactions below ₹ 5000.00 denoted as ₹ 0.00 Million)

27 Operating expenses

	For Six months ended 30th September, 2020 (₹ in Million)	For Six months ended 30th September, 2019 (₹ in Million)
Maintenance of Transmission Line	80.7	87.9
Other Operating Expenses	7.3	15.4
Total	**88.0**	**103.3**

28 Employee Benefits Expense

	For Six months ended 30th September, 2020 (₹ in Million)	For Six months ended 30th September, 2019 (₹ in Million)
Salaries, Wages and Bonus	9.8	3.5
Contribution to Provident and Other Funds	0.8	0.2
Staff Welfare Expenses	0.1	0.1
Total	**10.7**	**3.8**

29 Finance costs

	For Six months ended 30th September, 2020 (₹ in Million)	For Six months ended 30th September, 2019 (₹ in Million)
Interest Expenses	792.1	1,115.1
Interest on Intercorporate Deposit	53.0	68.8
Interest on Lease Obligation	1.9	1.9
Bank Charges & Other Borrowing Costs	3.1	21.3
Loss on Derivatives Contracts & Exchange rate difference (net)	616.3	5.5
Total	**1,466.4**	**1,212.6**

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30 Other Expenses	For Six months ended 30th September, 2020 (₹ in Million)	For Six months ended 30th September, 2019 (₹ in Million)
Stores and Spares	0.1	0.7
Rent Expenses	0.5	0.4
Legal & Professional Expenses	10.9	11.7
Payment to Auditors	0.2	0.2
Communication Expenses	2.8	1.9
Travelling & Conveyance Expenses	5.5	3.6
Insurance Expenses	3.0	3.7
Corporate Social Responsibility expenses	8.7	1.3
Advertisement & Selling expense	0.0	0.2
Miscellaneous Expenses	4.1	2.1
Total	**35.8**	**25.8**

31 Income Tax Expenses	For Six months ended 30th September, 2020 (₹ in Million)	For Six months ended 30th September, 2019 (₹ in Million)
Current Tax		
In respect of current year	79.9	227.6
In respect of Previous year	(393.2)	-
Deferred Tax	653.1	111.0
Total	**339.8**	**338.6**

Tax recognised in other comprehensive income	For Six months ended 30th September, 2020 (₹ in Million)	For Six months ended 30th September, 2019 (₹ 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	(7.5)	-
Total	**(7.5)**	**-**

Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will be reclassified to statement of profit and loss	(7.5)	-
Items that will not be reclassified to statement of profit and loss	-	-
Total	**(7.5)**	**-**

Note:

Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ("Ordinance") issued by Ministry of Law and Justice (Legislative Department) on September 20, 2019 effective from April 01, 2019, domestic companies have the option to pay Corporate income tax rate at 22% plus applicable surcharge and cess ("New tax rate") subject to certain conditions. Based on the assessment, the company has chosen to exercise the option of New tax rate. Accordingly the company have:

a) Made the provision for current tax and deferred tax at the rate of 25.17%
b) Written off unutilised credit for Minimum Alternate Tax aggregating to ₹ 500.8 Million.

Further, Ind AS 12 requires deferred tax assets and liabilities to be measured using the enacted (or substantively enacted) tax rates expected to apply to taxable income in the years in which the temporary differences are expected to reverse. The company has re-measured the outstanding deferred tax balances at New tax rate and amounts of ₹ 152.3 Million have been charged in the Statement of Profit and Loss during six months ended 30th September, 2020..

32 Contingent liabilities and Commitments

	As at 30th September, 2020 (₹ in Million)	As at 30th September, 2019 (₹ in Million)
(i) Contingent liabilities :		
Direct tax	0.2	0.2
Indirect tax - VAT and Entry Tax	127.5	70.7
	127.7	**70.9**
(ii) Commitments :		
Estimated amount of contracts remaining to be executed on capital account (net of capital advances)	62.4	4.4
	62.4	**4.4**

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

Particulars	As at 30th September, 2020		As at 30th September, 2019	
	₹ in Million	Foreign Currency (USD in Million)	₹ in Million	Foreign Currency (USD in Million)
Import Creditors and Acceptances	154.8	2.1	0.1	0.0
Interest accrued but not due			2.6	0.0

b) Foreign Currency Risk Sensitivity

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

(₹ in Million)

Particulars	As at 30th September, 2020		As at 30th September, 2020	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Risk Sensitivity				
Rupee / USD - (Increase) / Decrease	(1.5)	1.5	(0.0)	0.0

34 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 period.

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 period ended 30th September, 2020.

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	30th September, 2020	30th September, 2019
Total Borrowings (Including current maturities of long term borrowings)	16, 20 & 22	29,715.8	22,468.1
Less: Cash and Bank Balance	10 & 11	799.7	540.2
Net Debt (A)		**28,916.1**	**21,927.8**
Total Equity (B)	15	4,975.4	9,536.6
Total Equity and Net Debt (C=A+B)		**33,891.6**	**31,464.4**
Gearing Ratio (A/C)		**0.85**	**0.70**

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35 **Fair Value Measurement :**

a) The carrying value of financial instruments by categories as of 30th September, 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	-	789.1	-	789.1	789.1
Trade Receivables	-	-	1,157.4	1,157.4	1,157.4
Cash and Cash Equivalents	-	-	168.0	168.0	168.0
Bank balances other than above	-	-	631.7	631.7	631.7
Derivative Instruments	7.3	(4.0)	-	3.3	3.3
Other Financial Assets	-	-	3,158.8	3,158.8	3,158.8
Total	**7.3**	**785.1**	**5,115.9**	**5,908.3**	**5,908.3**
Financial Liabilities					
Borrowings (Including current maturities and interest accrued)	-	-	30,024.4	30,024.4	30,024.4
Derivative Instrument	-	365.8		365.8	365.8
Other Financial Liabilities	-	-	75.0	75.0	75.0
Trade Payables	-	-	229.2	229.2	229.2
Total	**-**	**365.8**	**30,328.6**	**30,694.4**	**30,694.4**

b) The carrying value of financial instruments by categories as of 30th September, 2019 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		714.9	-	714.9	714.9
Trade Receivables	-	-	832.4	832.4	832.4
Cash and Cash Equivalents	-	-	241.0	241.0	241.0
Bank balances other than above	-	-	299.2	299.2	299.2
Other Financial Assets	-		1,916.4	1,916.4	1,916.4
Total	**-**	**714.9**	**3,289.0**	**4,003.9**	**4,003.9**
Financial Liabilities					
Borrowings (Including current maturities and interest accrued)	-	-	23,284.0	23,284.0	23,284.0
Derivative Instrument	-	3.0	-	3.0	3.0
Other Financial Liabilities	-	-	486.0	486.0	486.0
Trade Payables	-	-	61.2	61.2	61.2
Total	**-**	**3.0**	**23,831.2**	**23,834.2**	**23,834.2**

36 **Fair Value hierarchy :**

(₹ in Million)

Particulars	30th September, 2020	30th September, 2019
	Level 2	Level 2
Assets		
Investments in unquoted Mutual Funds measured at FVTPL	789.1	714.9
Derivative instruments designated in hedge accounting relationship	3.3	-
Total	**792.4**	**714.9**
Liabilities		
Derivative instruments designated in hedge accounting relationship	365.8	3.0
Borrowings (Including current maturities and interest accrued)	30,024.4	23,284.0
Total	**30,390.2**	**23,287.0**

37 **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 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.

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Interest rate risk
The Group is exposed to changes in market interest rates due to financing, investing and cash management activities. The Group's exposure to the risk of changes in market interest rates relates primarily to The Group's long-term debt obligations with floating interest rates and period of borrowings. 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.

Interest rate sensitivity
The sensitivity analysis below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.
The Group having floating interest rates borrowing in the previous period and according if interest rates had been 50 basis points higher / lower and all other variables were held constant, the company's profit for the period ended 30th September, 2019 would decrease / increase by ₹ 105.8 Million.

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)

30th September, 2020	Less than 1 year	1-5 years	Over 5 years	Total
Borrowings (Including current maturities)	1,721.8	3,273.7	24,720.3	29,715.8
Trade Payables	229.2	-	-	229.2
Derivative Liabilities	365.8	-	-	365.8
Other financial Liabilities	319.0	64.6	-	383.6

38 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 licence 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	For Six months ended 30th September, 2020	For Six months ended 30th September, 2019
1	SCA Revenue Recognised	98.3	99.0
2	Profit after tax for the period	34.0	18.4

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39 Related party disclosures :

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

> Holding Entity	Adani Transmission Limited
> Key Managerial Personnel (KMP)	Mr. Gautam S. Adani, Chairman
	Mr. Anil Sardana, Managing Director and Chief Executive Officer (w.e.f. 10th May, 2018)
	Mr. Kaushal Shah, Chief Financial Officer
	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
	Jam Khambaliya Transco Limited
	Aravali Transmission Service Company Limited.
	Maharashtra Eastern Grid Power Transmission Company Limited
>Entities under Common Control with whom there are transactions during the period	Adani Infra (India) Limited
	Raipur Energen Limited
	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 Six Month Ended	**30th September, 2020**	**30th September, 2019**	**30th September, 2020**	**30th September, 2019**	**30th September, 2020**	**30th September, 2019**
Interest Expense	53.0	66.3	-	-	-	-
Loan Taken	21.0	119.6	-	-	-	-
Loan Repaid back	68.5	151.8	-	-	-	-
Equipment Hire Charges	-	-	0.1	-	-	-
Sale of Inventory	-	-	0.2	-	1.7	-
Purchase of Goods	-	-	-	-	92.8	-
Operation and Maintenance Expense	-	-	-	-	65.0	63.1

(B) Balances with Related Parties **(₹ in Million)**

Particulars	With Holding Company		With Fellow Subsidiaries		With Other Parties	
As at	**30th September, 2020**	**30th September, 2019**	**30th September, 2020**	**30th September, 2019**	**30th September, 2020**	**30th September, 2019**
Unsecured Loans	963.1	1,279.2	-	-	-	-
Compulsorily Convertible Debentures treated as equity	-	6,080.6	-	-	-	-
Interest Accrued but not due	227.9	774.1	-	-	-	-
Capex Advance	-	-	-	-	1,148.8	-
Accounts Receivables	-	-	0.1	-	2.0	-
Accounts Payable	-	0.0	0.2	-	43.7	73.6

Adani Transmission Limited

40 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 likely adverse impact on business and financial risks on account of Covid-19, and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the Group's ability to continue as a going concern and meeting its liabilities as and when they fall due, and compliance with the debt covenants, as applicable.

For ,
ADANI TRANSMISSION LIMITED

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

KAUSHAL SHAH
Chief Financial Officer

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 2nd November, 2020

Adani Transmission Limited