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1. Executive Summary

1.1 Evolution of Adani Energy Solutions Limited ("AESL")

Adani Energy Solutions Limited ("AESL") (Formerly known as Adani Transmission Limited) is the Transmission, Distribution and Smart Meter business arm of the Adani Portfolio. AESL is the country's largest private transmission company, with a presence across 14 states of India and a cumulative transmission network of ~19,862 ckm, out of which ~ 17,814 ckm are operational and ~ 2,048 ckm are at various stages of construction. AESL also operates distribution business, serving more than 12 million consumers in Mumbai and Mundra SEZ. With India's energy requirement set to quadruple in the coming years, AESL is fully geared to create a strong and reliable power transmission network and work actively towards serving retail customers and achieving "Power for All".

The transmission networks are consistently operating at more than 99.5%+ availability (Q2FY24 – 99.7%). Our power transmission business in India focuses on the execution of new transmission systems under licensing from central and state electricity bodies, and Operations and Maintenance (O&M) of existing assets through outsourced partners.

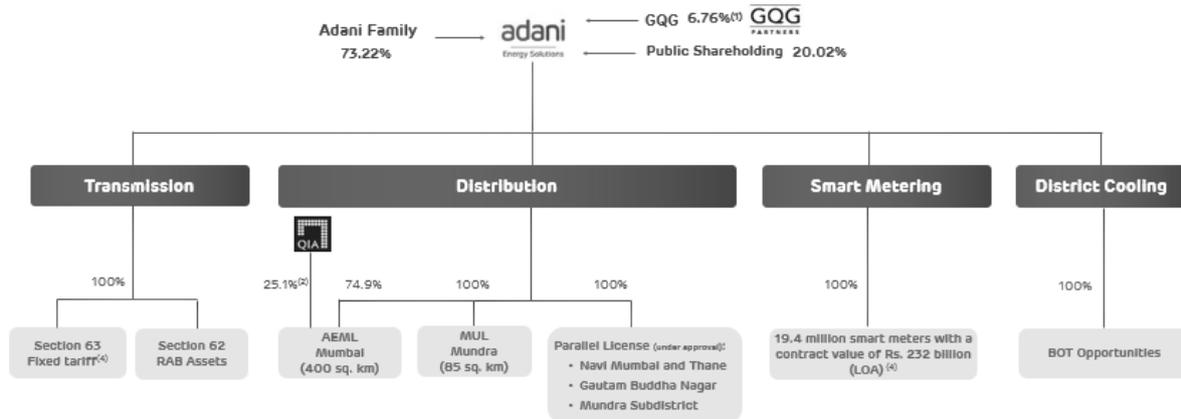
In FY19, AESL forayed into the retail electricity distribution space with the acquisition of Mumbai's Power Generation, Transmission and Distribution (GTD) business license. Today, Adani Electricity Mumbai Limited (AEML) caters to over 12 Million+ consumers in the Mumbai suburbs and Mira-Bhayander Municipal Corporation in the Thane district with a distribution network spanning over 400 Sq. km. The distribution business maintained supply reliability at 99.99% along with collection efficiency in Distribution business was more than 100%. Further added MPSEZ Utilities Limited (MUL) asset facilitating distribution of electricity in Mundra SEZ area (8,481 hectares) as a distribution licensee.

AESL recently entered the smart metering business and was awarded 8 projects with total size of 193.86 Lakh Smart Meters.

The smart metering projects were awarded to us under the Tariff based competitive bidding mechanism. The scope includes providing end-to-end smart metering services from development, operation and maintenance of smart meters, where all consumers points, distribution points and feeders will be smart metered to enable complete energy accounting with no manual intervention.

We are poised to tap the addresses the vast headroom in India's transmission sector, with the objective to possess 30,000 ckm transmission assets and achieve distribution meeting 4.5 MVA per customer by 2030. Aligned with our business focus, we have developed the expertise in our people to create modern transmission assets for the nation, backed by efficient O&M support. Overall ESG framework is embedded as core business objective and committed to sustainable value-creation for all stakeholders coupled with strong governance and disclosures framework.

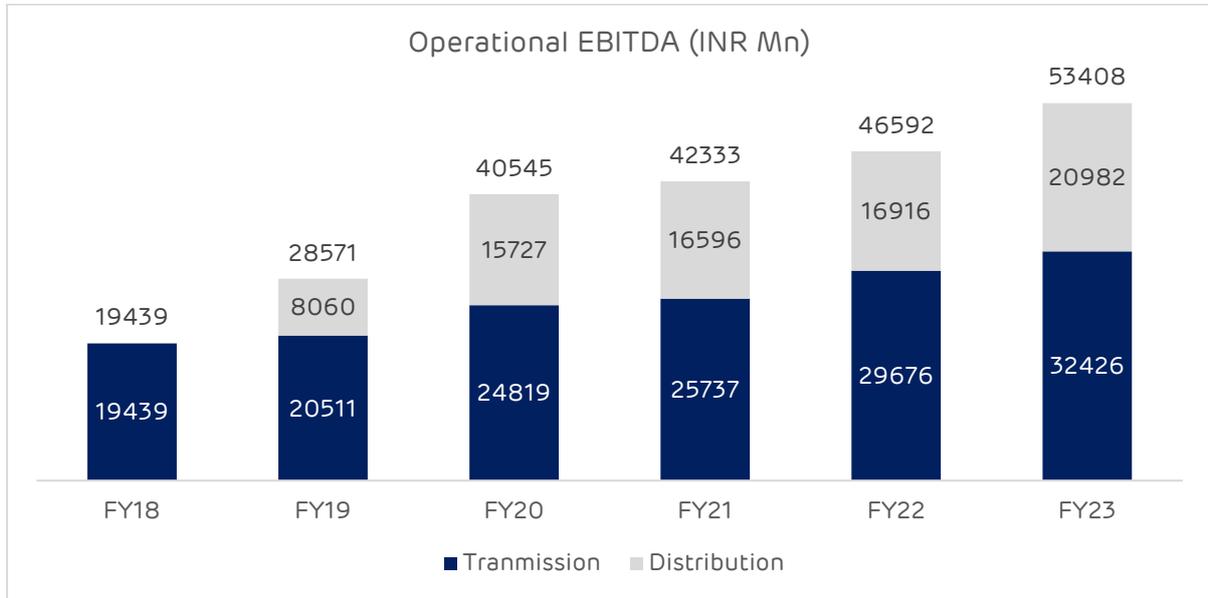
AESL business model as on 30th September'23:



Notes: % denotes shareholding; 1) GQG Secondary Investment of Rs. 5,637 Cr (US\$ 677 million) for 6.76% stake based on closing price of Rs 810 dated September 29, 2023; 2) Primary Equity - QIA's Investment in AEML: US\$ 452 mn (Rs 32 bn) total investment (US\$ 170 mn of Equity and US\$ 282 mn of shareholder sub-debt) for 25.1% stake in AEML; 3) Tariff based competitive bidding (TBCB); 4) Smart Meter Project details: (i) Brihanmumbai Electric Supply & Transport Undertaking (BEST) – 10.8 lakh smart meters (Rs 13 bn) (ii) Assam Power Distribution Company Limited (APDCL) – 7.7 Lakh smart meters (Rs. 8.5 bn) (iii) 3 Andhra Discoms – 31.03 Lakh smart meters (Rs 41 bn) (iv) 2 MSEDCL projects – 115.9 Lakh smart meters (Rs 139 bn), (v) NBPDC - Bihar – 28 lakh meters (Rs 31 bn); RAB: Regulatory Asset Base; AEML: Adani Electricity Mumbai Limited; MUL: MPSEZ Utility Limited; AMI: Advanced Metering Infrastructure; HVDC : High voltage direct current., LOA: Letter of Award, LOI: Letter of Intent; Ckm: Circuit Kilometer, SEZ: Special Economic Zone, Sq.Km: Square Kilometer;

AESL's Growth Story:

In our continuous growth phase, the financial metrics has always been in the disciplined level. AESL, from its inception stage has been maintaining a high EBITDA performance with more than 90% margin in Transmission Business and more than 24% margin in Distribution business. AESL achieved 22.4 % CAGR growth from FY18 to FY23 with world class margin.



AESL's journey over the years



2006

- Developed the 220KV transmission line for Mundra Thermal Power Station

2009

- Commissioned the first 400 kV transmission line (Mundra- Dehgam transmission line)

2010

- Commissioned FSC (Fixed series capacitor) at Sami S/S to support the evacuation system

2011

- Commissioned the 400KV Mahendragarh-Bhiwani transmission line
- Commissioned the 400KV Mahendragarh-Dhanoda transmission line

2012

- Commissioned first HVDC transmission line (+ 500 KV Mundra-Mahendragarh transmission line)
- Commissioned 400 kV Tiroda-Warora transmission line
- Completed of 400KV Kawai- Chhabra transmission line as an EPC contract

2013

- Conversion of Mundra system into ISTS (Inter-state transmission system) as a license company

2014

- Commissioned the first 765 kV transmission line (Tiroda- Aurangabad transmission line)

2015

- De-merger of Adani Transmission Limited (ATL) from Adani Enterprises Limited (AEL)
- Listing of ATL on the BSE and NSE Stock Exchanges
- Received award of STL (Sipat Transmission Ltd.), RRWTL (Raipur-Rajnandgaon-Warora Transmission Ltd.) and CWRTL Chhattisgarh-WR Transmission Ltd. projects

2016

- Received award of the ATRL project
- Received award of NKTL (North Karanpura Transco Ltd.) project
- Acquisition of GMR assets (MTSCL (Maru Transmission Service Company Limited) and ATSCS (Aravali Transmission Service Company Ltd.))
- Completion of 400KV Mundra-Zerda transmission line as an EPC contract

AESL's journey over the years

2017

- Received award of Public- Private Partnership (PPP) 8, 9 and 10 projects
- Acquisition of Reliance Infrastructure Limited's assets (WTGL (Western Transmission (Gujarat Ltd.) and WTPL (Western Transmission Power Ltd.))

2018

- Received award of FBTL (Fatehgarh-Bhadla Transmission Limited), GTL (Ghatampur Transmission Limited) and OCBTL (Obra-C Badaun Transmission Limited) project
- Acquisition of Reliance Infrastructure Limited's Power Generation, Transmission & Distribution Business in Mumbai
- Commissioned ATRL (Adani Transmission (Rajasthan) Ltd.) Project

2019

- Received award of Lol for KVTL (Kharghar Vikhroli Transmission Limited)
- Received award of Lol for LBTL (Lakadia Banaskantha Transco Limited) and JKTL (Jam Khambaliya Transco Limited)
- Received award of Lol for BKTL (Bikaner - Khetri Transmission Limited) and WTL (WRSS XXI (A) Transco Limited)
- Commissioned three intra- state transmission projects in Rajasthan - PPP 8, 9 and 10
- Commissioned the STL and RRWTL projects
- Acquisition of KEC asset (Adani Transmission Bikaner Sikar Private Limited)

2020

- Acquisition of Alipurduar Transmission Limited from KPTL (Kalapataru Power Transmission Limited)
- Acquisition of KVTL from Maharashtra State Electricity Transmission Company Ltd

2021

- Acquisition of Warora Kurnool Transmission Limited from Essel Infraprojects Ltd
- Commissioned Fatehgarh Bhadla Transmission Limited
- Commissioned Bikaner Khetri Transmission Limited
- Received Lol for MP Power Transmission Package II Limited
- Commissioned Ghatampur Transmission Limited (among India's largest intra state transmission lines)
- Received Lol for Khavda Khavda-Bhuj Transmission Limited
- Received Lol for Karur Transmission Limited
- Acquisition of MUL (MPSEZ Utilities Ltd) from APSEZ

2022

- Announced acquisition of Mahan Sipat Transmission Line of 673 ckms. Transaction is under process.

2023

- Won two transmission TCB projects (Khavda II A and WRSR) and two smart metering projects (BEST and APDCL) during the year.
- Received the '**Emerging Company of the Year Award 2022**'
- Received new LOA for two smart metering projects

Financial Discipline:

In-spite of the high growth over past few years, AESL has sustained Development and Capex risk with High Credit Discipline.

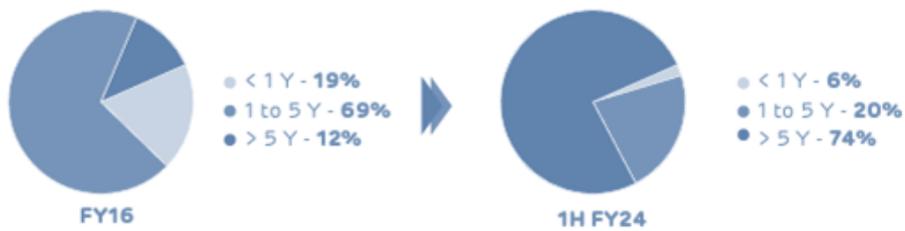
AESL has significantly lowered its risk profile and has achieved following in the past 7 years:

	As of 31 March 16 <small>(year of inception)</small>	As of 30 Sept 23
Consolidated Net Debt	Rs. 85 bn	Rs. 290 bn ⁽²⁾
Cost of Debt (weighted) %	10.9%	9.3%
Average debt maturity for LT debt	5.8 years	7.7 years
Net Debt to EBITDA (x)	4.6x	3.8x ⁽³⁾

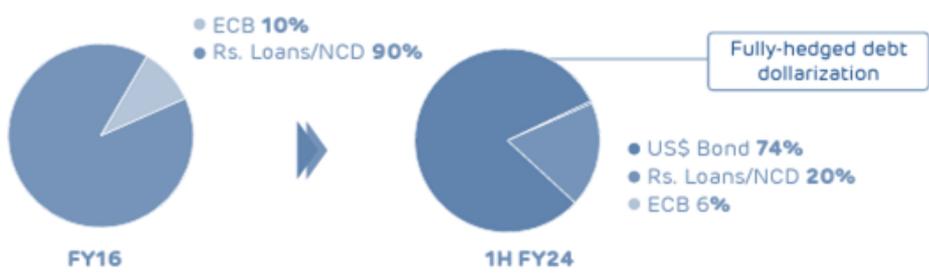
Reduction in cost of debt and increase in debt maturity

- Robust growth pipeline through organic and in organic route
- Consistently maintained investment grade rating since 2016 and commitment to maintain investment grade rating going forward.
- 6% of total debt profile with short term maturity (<1 year);
- Refinancing risk minimized - above 5 year maturity increased from 12% to 74%
- Fully tied up capex program for long term growth

Refinancing risk minimized¹- above 5 year maturity increased from 12% to 74%



Debt profile² - Long term US\$ bond funding in overall structure increased to 74%



Sustainability:

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

- AESL has pledged to become Net Zero by 2050, limiting global warming to 1.5 C above pre-industrial levels through measurable actions, and its operational sites are certified as Single use Plastic (SuP) Free, Zero Waste to Landfill (ZWL), Net Water Positive from independent agencies like DNV, Intertek and CII
- Reduce Carbon Footprint: Distribution Arm of AESL, i.e. AEML has signed 700 MW of hybrid PPA which will increase share of renewable power procurement from current 30% (till FY 2023) to 60% by FY 2027.
- Single-use Plastic Free, Zero Waste to Landfill (ZWL), and Net Water Positive certifications from independent agencies like DNV, Intertek, and CII.
- AESL attained a Zero Waste to Landfill (ZWL) certificate for all O&M sites from Intertek.
- The share of Renewable power supplied to Mumbai circle increased to 38% at the end of September 30, 2023, as committed under the July 2021 SLB issuance.

Recent Achievements and Awards:

- "Platinum Award" for Occupational Health and Safety under the 8th Apex India Occupational Health and Safety Award 2023 by Apex India Foundation.
- Economic Times HR World honoured Adani Electricity Mumbai Limited in July'23 with the highest award in the category of Best Innovative Leadership Development Programme for Adani Electricity's 'AE-Marvels'.
- AEML, Mumbai's primary and most preferred power utility, is now also India's No. 1 power utility, per the Ministry of Power's 11th Annual Integrated Rating and Ranking for Power Distribution, a report prepared by McKinsey & Company and PFC (the nodal agency).
- AESL received the 'Emerging Company of the Year Award 2022' at the ET Awards on Corporate Excellence in recognition of its growth, scale, and sustainable business practices.
- AESL won five 'Par-Excellence Award' at 9th National Conclave on 5S, organized by the prestigious Quality Circle Forum of India HQ (QCFI) demonstrating its unparalleled commitment to business excellence.

Recent Development:

- Adani Energy Solutions Ltd. (AESL), with effect from July 27, 2023, is the new name for the erstwhile Adani Transmission Ltd. This has been done to reflect the company's overarching offering in multiple facets of the energy domain.
- Acquired Under construction transmission project KPS1 Transmission Limited from Megha Engineering & Infrastructures Limited.
- Received LOA for eight smart metering projects in Maharashtra, Andhra Pradesh and Bihar.

- During H1FY24 Karur Transmission & Warora Kurnool Transmission (WKTL) Lines were fully commissioned.
- Received Letter of Intent (LOI) for Sangod Transmission line
- The share of Renewable power supplied to Mumbai circle increased to 38% at the end of September 30, 2023, as committed under the July 2021 SLB issuance.

1.2 Adani Transmission Step-One Limited("ATSOL") Obligor Group

ATSOL along-with its 2 wholly owned subsidiaries Adani Transmission (India) Limited ("ATIL") and Maharashtra Eastern Grid Power Transmission Company Limited ("MEGPTCL") formed an Obligor Group ("OG"). ATSOL OG group owned 4 ROA Assets as follows:

Sr.no	Asset Name	Regulator	License End Date
1	Mundra-Mohindergarh (HVDC Line)	CERC	Jul-38
2	Mundra-Sami-Dehgam Line	CERC	Jul-38
3	Tiroda-Warora Line	MERC	Jul-34
4	Tiroda-Aurangabad Line	MERC	Sep-35

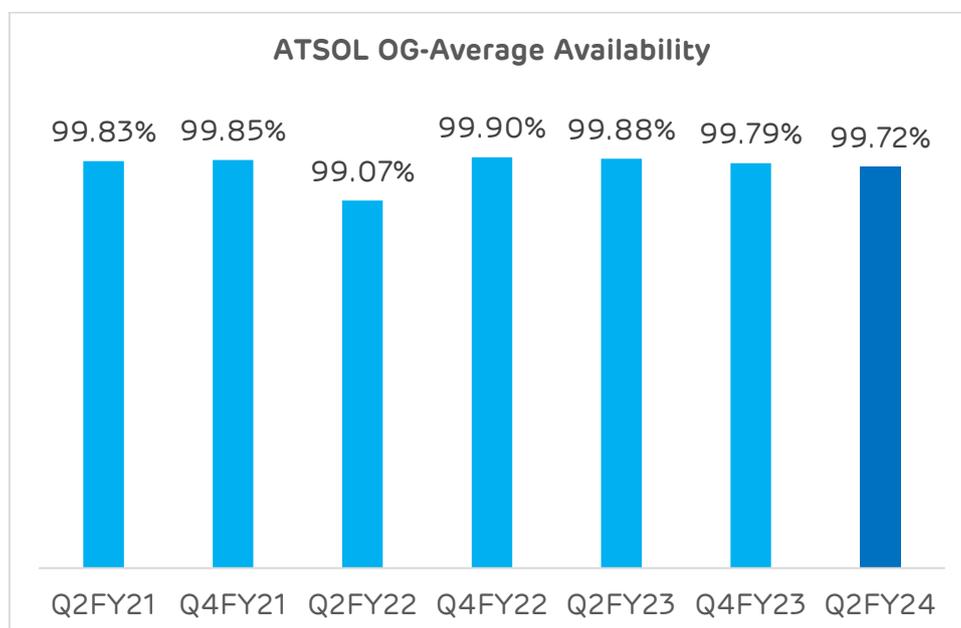
All the assets are eligible for 10 years extension in license life

ATSOL OG has issued 2 international market 144A/RegS issuance as follows:

1. \$ 500 Mn issued in Aug-2016 having bullet maturity of 10 years maturing in Aug-26
2. \$ 500 Mn issued in Nov-2019 having amortising structure of 16.5 years final maturity in May-2036 with weighted average maturity of 10.14 years.

1.2.1 Operation and Business Continuity

Quarterly Operational performance of OG entities on aggregated basis is as follows:



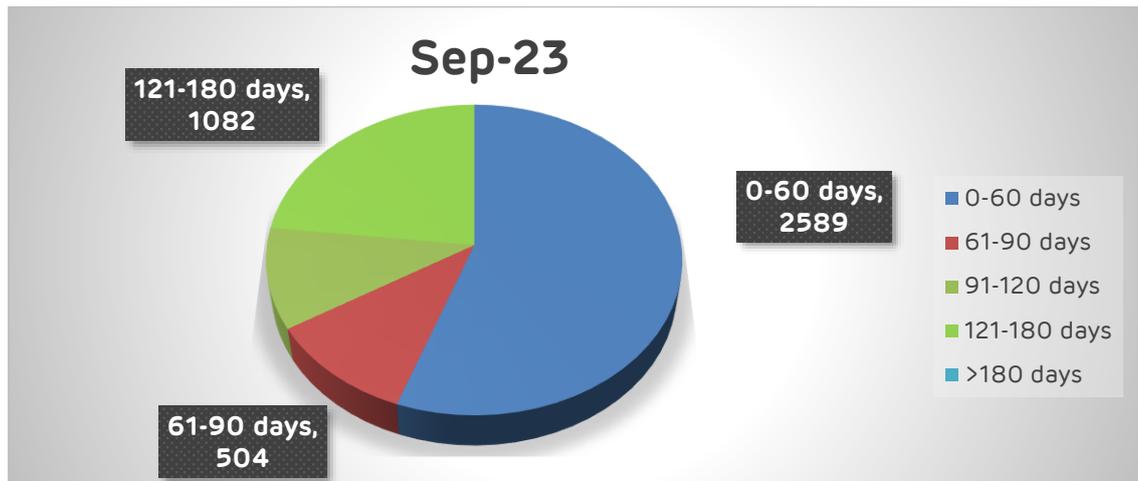
- Average Availability for all four lines are historically above 99%+.
- Being a power transmitter we are, ensuring safety and also safeguarding health and hygiene of staff; we have been maintaining business continuity nearly 100% availability of assets and network.

1.2.2 Financial Performance:

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

The aggregated 12M trailing EBITDA for the year ended 31st March,23 is at INR 22,882 Mn.

Receivable Ageing Profile



(INR Mn)						
ATSOL OG	0-60 days	61-90 days	91-120 days	121-180 days	>180 days	Total Receivables
Sep-23	2589	504	488	1082		4664
Mar-23	3030	526	0	681		4237
Sep-22	3649	1397	822	15		5883
Mar-22	3806	0				3806
Sep-21	4337	380				4717
Mar-21	4213	492				4705
Sep-20	4115	227				4342

Including one month of unbilled receivables

Received a regulatory order from Maharashtra Electricity Regulatory Commission related to MEGPTCL and ATIL lines for the Maharashtra-based assets, enabling the realisation of INR 15000 Mn in past revenue gap across two years.

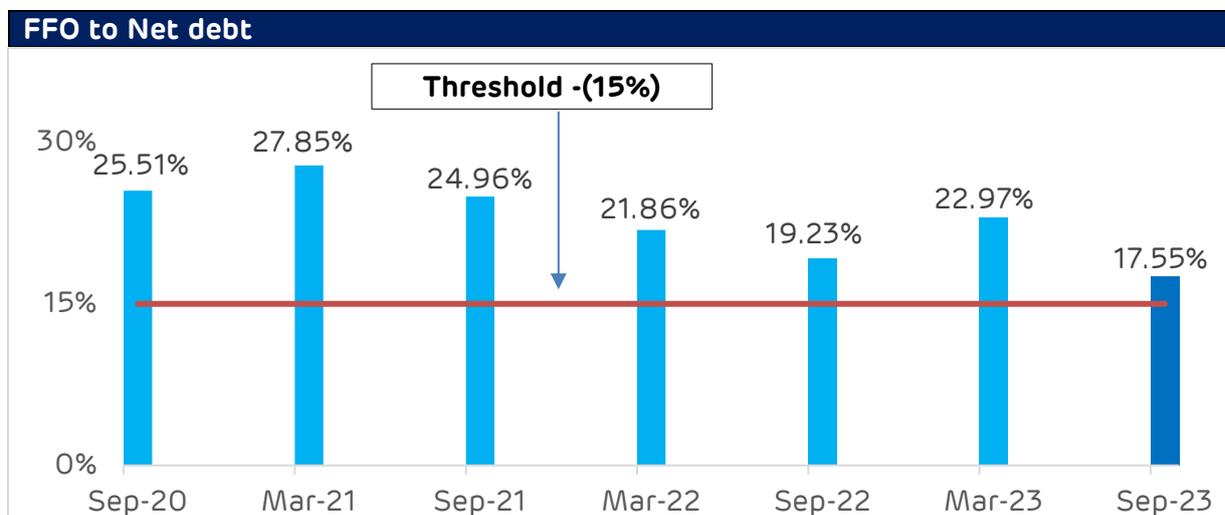
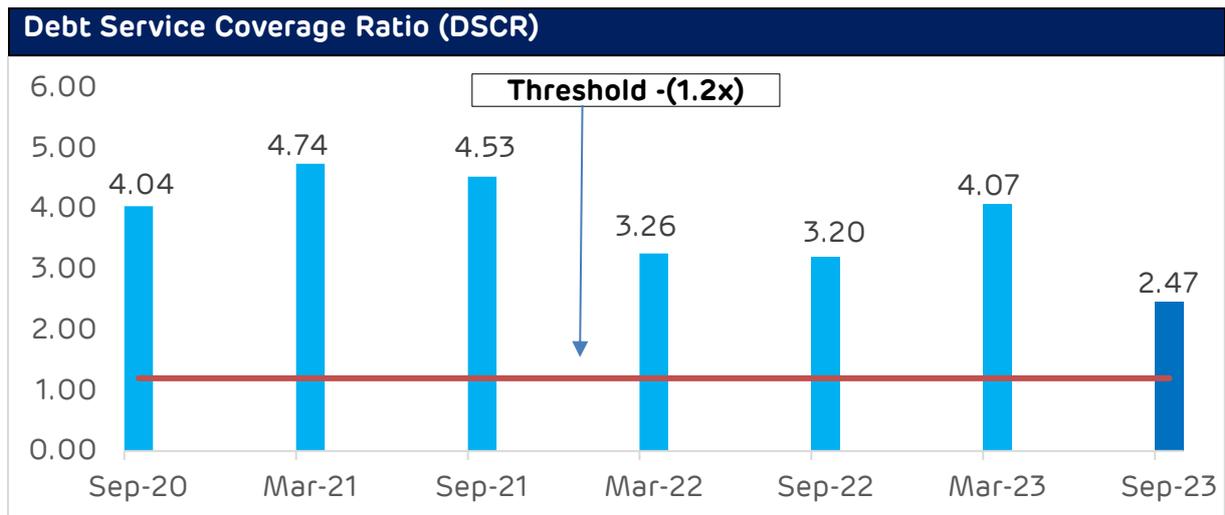
1.3 Summary of Key Covenants

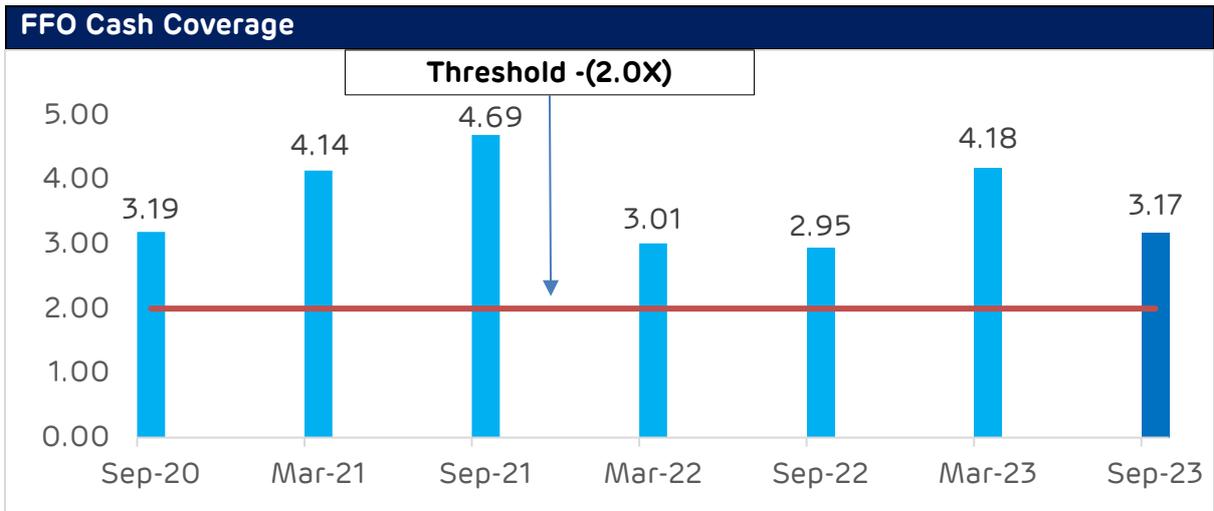
The Obligor Group (as “OG”) on aggregate basis has constantly achieved performance over threshold limits.

1) Financial Matrix

Summary of the covenant		
Particulars	Mar-23	Sep-23
Debt Service Coverage Ratio (DSCR)(Refer Annx-1)	4.07	2.47
FFO / Net Debt (Refer Annx-2)	22.97%	17.55%
FFO Cash Interest (Refer Annx - 3)	4.18	3.17

- For the reported period, Covenants are better than the norms. Covenants of September,23 is not comparable to earlier periods due to Restructuring and Novation of the Dollar Bonds, which led to removal of AESL for tighter ring fencing structure.





2. Information on Compliance Certificate and Its Workings

To:

IDBI Trusteeship Services Limited (the "Security Trustee")

Madison Pacific Trust Limited (the "Note Trustee")

Note Holders for U.S. \$ 500,000,000 Senior Secured Notes Due 2026 and U.S. \$ 500,000,000 Senior Secured Notes Due 2036

From:

Adani Transmission Step-One Limited

Adani Transmission (India) Limited (as Obligor) and

Maharashtra Eastern Grid Power Transmission Limited (as Obligor)

Dated: 13th December, 2023

Dear Sirs

ADANI TRANSMISSION LIMITED – Common Terms Deed dated 29th July, 2016 (the "Common Terms Deed") and ADANI TRANSMISSION STEP-ONE LIMITED-AMENDED AND RESTATED COMMON TERMS DEED dated 4th July 2022

We refer to the Common Terms Deed and Amended And Restated Common Terms Deed. This is a Compliance Certificate given in respect of the Calculation Date occurring on September 30,2023. Terms used in the Common Terms Deed shall have the same meaning in this Compliance Certificate.

The Certificate is based on the following documents:

1. Financial Audited Accounts of Restricted Group for 12 months period ended on September 30,2023
2. The Cash Flow Waterfall Mechanism as detailed in the Project Account Deed

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

1. Computation of Operating Account Waterfall as per Note Trust Deed

Operating Account Waterfall for the Calculation Period		
Particulars	Amount(INR Mn)	Source
Net Revenue	22791	Working Note 1
Less:		
O&M Expenses & Statutory Dues	(4,189)	Working Note 2
Change in Working Capital	(805)	Working Note 4
Cash Available for Debt Servicing (A)	17798	
Debt Servicing:		
Interest Servicing	(5,867)	Cash Flow Statement
Principal Servicing	(2,268)	
Total(B)	(8,135)	
Addition in Debt Service Reserve Account(C)	-	Working Note 5
Cash Available for LRA and Distribution Account(A+B+C)	9662	

Details of Cash Balance in Project Accounts as per Clause 1(C)(iii) of Schedule 3 (Undertakings) of Common Terms Deed

Details of Cash Balance in Various Projects Accounts		
Project Account Name	Amount(INR Mn)	Source
Debt Service Reserve Account	800	Working Note 6
Liquidity Reserve Account		Not Required post Restructuring
Other Cash and Bank Balance	1,134	Working Note 6
Total	1934	

We confirm that:

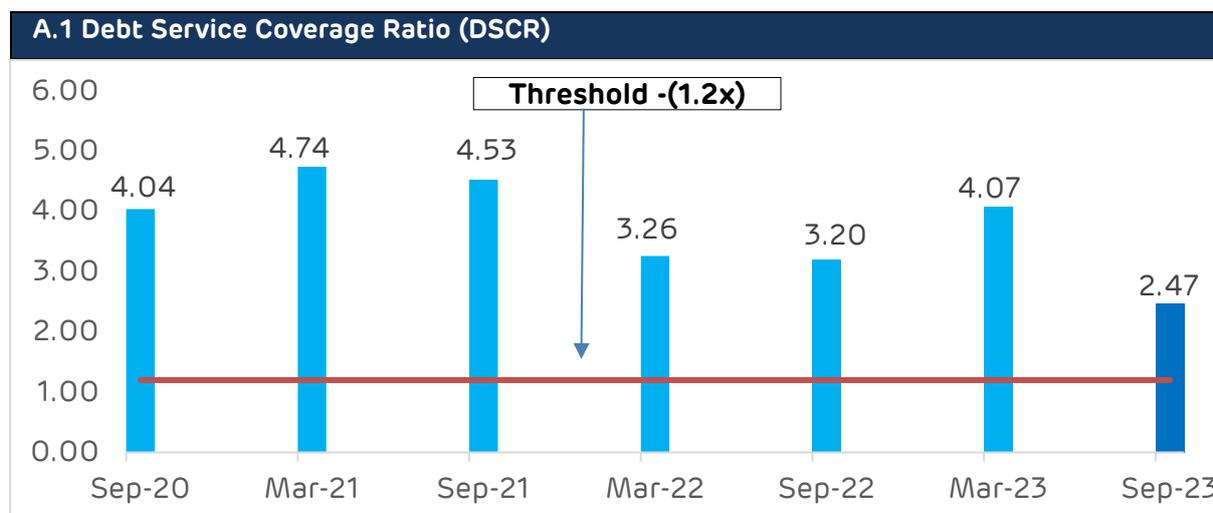
- in accordance with the workings set out in the attached Annexure 1, the Debt Service Cover Ratio for the Calculation Period ended on the relevant Calculation Date was 2.47:1.
- Copies of the Issuers audited Aggregated Accounts in respect of the Calculation Period is attached.
- as at the Calculation Date, the aggregate amount transferred to our Distributions Account in accordance with the Operating Account Waterfall is Nil.
- to the best of our knowledge having made due enquiry, no Default subsists.

2. Summary of the Covenant

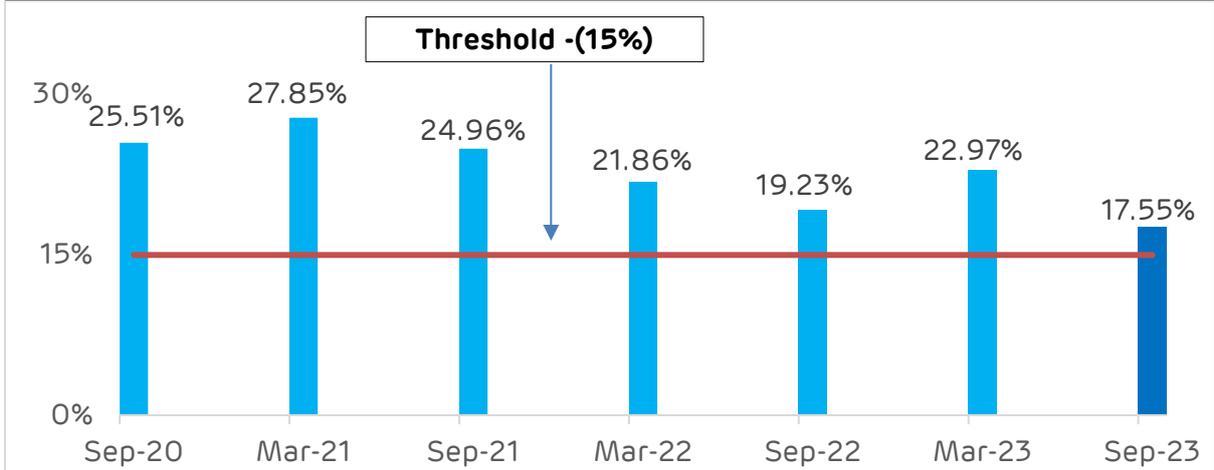
Summary of the covenant							
Particulars	Sep-20	Mar-21	Sep-21	Mar-22	Sep-22	Mar-23	Sep-23
Debt Service Coverage Ration (DSCR)(Refer Annx-1)	4.04	4.74	4.53	3.26	3.20	4.07	2.47
FFO / Net Debt (Refer Annx-2)	25.51%	27.85%	24.96%	21.86%	19.23%	22.97%	17.55%
FFO Cash Interest (Refer Annx - 3)	3.19	4.14	4.69	3.01	2.95	4.18	3.17

- For the reported period, Covenants are better than the norms. Covenants of September,23 is not comparable to earlier periods due to Restructuring and Novation of the Dollar Bonds, which led to removal of AESL for tighter ring fencing structure.

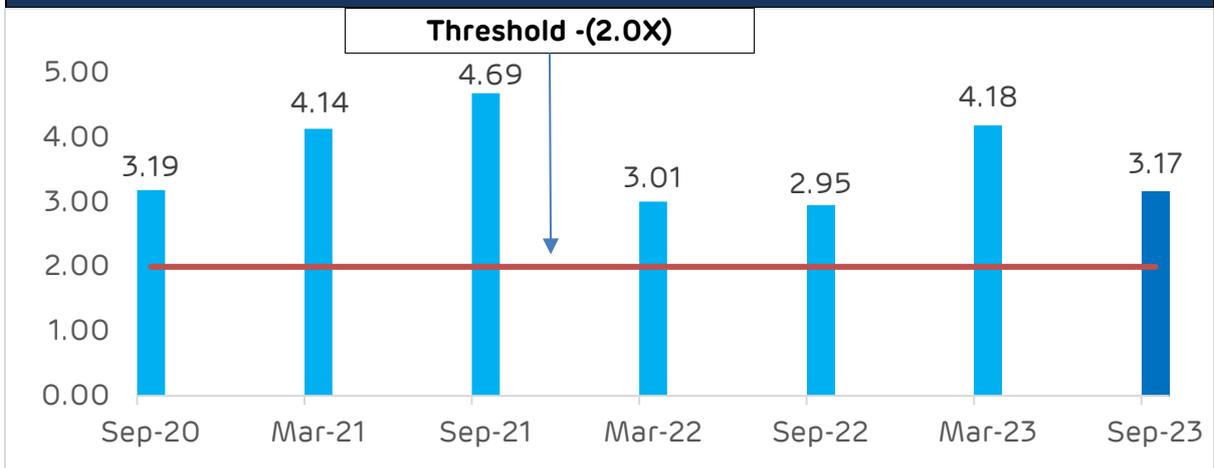
3. Financial Matrix



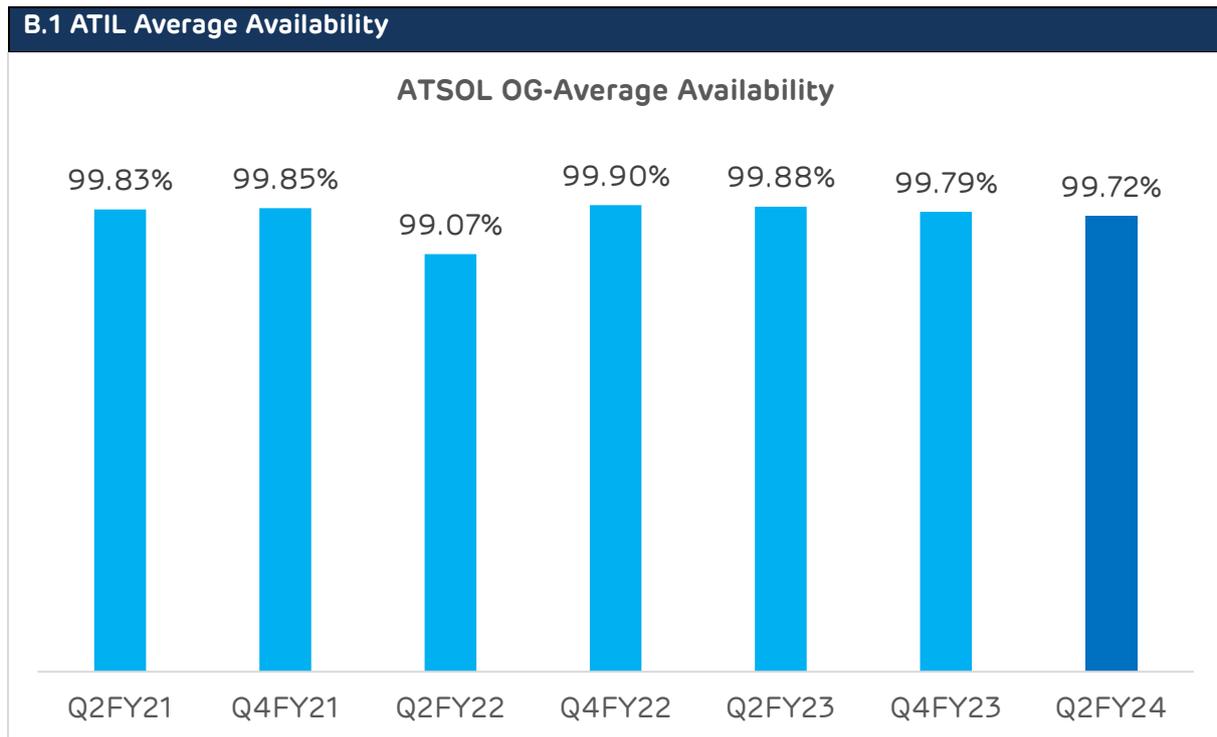
A.2 FFO to Net debt



A.3 FFO Cash Coverage



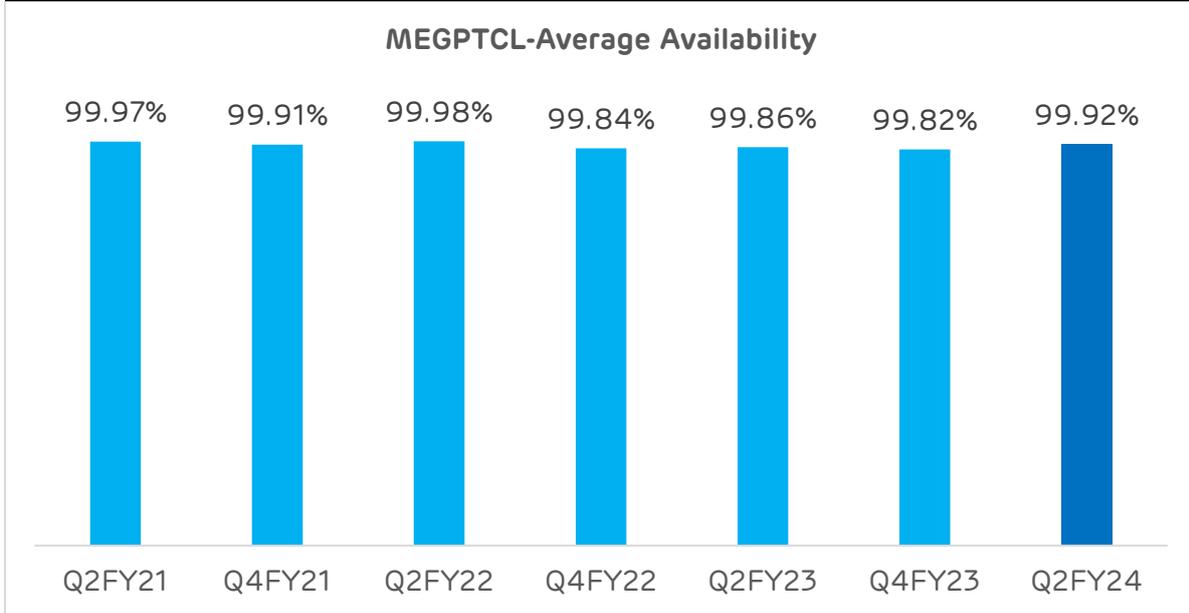
4. Operational Performance (Availability)



Note : ATIL consist of three lines – Mundra-Mohindargharh (HVDC), Mundra Dehgam (HVAC) and Tiroda-Warora (AC). Above table depicts average combined availability. Below are average availability of individual lines.

Period	HVDC (M-M)		HVAC (MSD)		AC (T-W)	
	Average	Normative	Average	Normative	Average	Normative
Q2FY21	98.97%	96.00%	99.91%	98.50%	99.96%	99.00%
Q4FY21	99.70%	96.00%	99.82%	98.50%	99.87%	99.00%
Q2FY22	94.95%	96.00%	99.63%	98.50%	99.93%	99.00%
Q4FY22	99.96%	96.00%	99.98%	98.50%	99.97%	99.00%
Q2FY23	100.00%	96.00%	99.77%	98.50%	99.91%	99.00%
Q4FY23	99.96%	96.00%	99.53%	98.50%	99.81%	99.00%
Q2FY24	98.53%	96.00%	100.00%	98.50%	100.00%	99.00%

B.2 MEGPTCL Availability



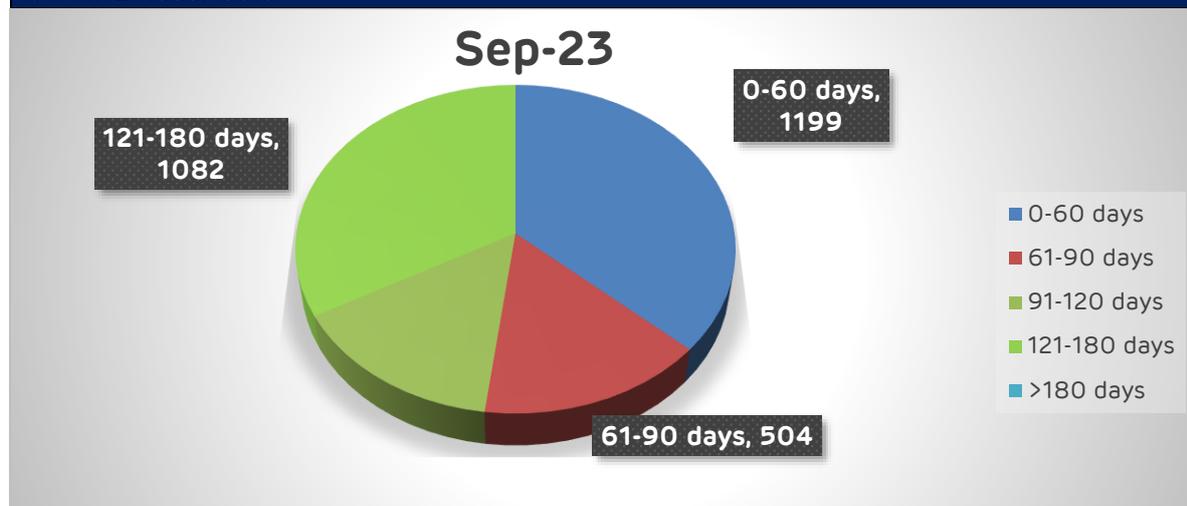
- Availability is historically above 99.5%.

MEGPTCL (T-A)		
Period	Average	Normative
Q2FY21	99.97%	99.00%
Q4FY21	99.91%	99.00%
Q2FY22	99.98%	99.00%
Q4FY22	99.84%	99.00%
Q2FY23	99.86%	99.00%
Q4FY23	99.82%	99.00%
Q2FY24	99.92%	99.00%

Entitled to receive the Incentive Over and above Normative Availability in each line.

5. Receivable Ageing

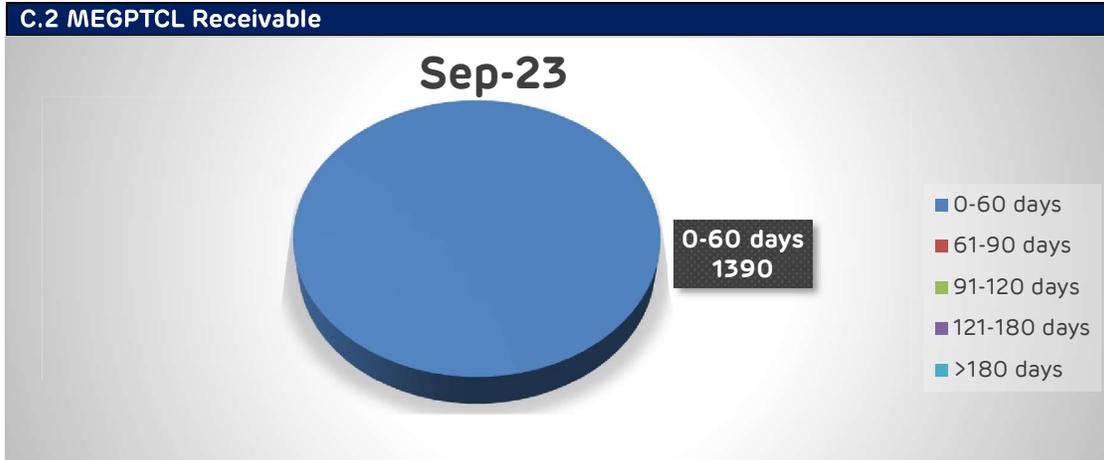
C.1 ATIL Receivable



(INR Mn)						
ATIL	0-60 days	61-90 days	91-120 days	121-180 days	>180 days	Total Receivables
Sep-23	1199	504	488	1082	0	3274
Mar-23	1779	526	0	681	0	2986
Sep-22	2126	635	583	15	0	3358
Mar-22	1784					1784
Sep-21	2282	380				2662
Mar-21	2233	492.2				2725
Sep-20	2262	227				2489

Including one month of unbilled receivables

The Receivable Profile of the company is in line with management's estimations.



(INR Mn)

MEGPTCL	0-60 days	61-90 days	91-120 days	121-180 days	>180 days	Total Receivables
Sep-23	1390	0	0	0	0	1390
Mar-23	1251	0	0	0	0	1251
Sep-22	1524	762	240	0	0	2525
Mar-22	2022					2022
Sep-21	2055					2055
Mar-21	1980					1980
Sep-20	1853					1853

Including one month of unbilled receivables

Signed:

For Adani Transmission Step-One Limited

Authorized Signatory

Encl:

- 1) Computation of Debt Service Reserve Account
- 2) Covenant Calculations
- 3) Back-Stop Calculation
- 4) Obligor's Aggregated Accounts

6. Annexure:1

Computation of Debt Service Cover Ratio as per Clause 1(C)(ii) of Schedule 3 (Undertakings) of Common Terms Deed

Debt Service Cover Ratio Calculation as on 30-Sep-2023		
Calculation Period : 1-Oct-2022 to 30-Sep-2023		
Particulars	Amount(INR Mn)	Source
Opening Cash Balance*	918	Working Note 12
Combined EBITDA	20509	Working Note 7
Less: Tax Paid	(1,905)	Cash Flow Statement
Less: RCF Interest	(378)	
Cash Flow Available for Debt Servicing (A)	19144	
Debt Servicing:		
Interest Servicing	5488	Cash Flow Statement excluding RCF Interest
Principal Servicing	2268	
Total(B)	7757	
DSCR (A/B)		2.47
* Unencumbered Opening cash balance as on 01-10-2022		

7. Annexure: 2 Covenant Calculation

Fund from Operation to Net Debt Ratio (FFO/Net Debt) as on 30-Sep-2023		
Particulars	Amount(INR Mn)	Source
Combined EBITDA	20509	Working Note 7
Less: Tax Paid	(1,905)	Cash Flow Statement
Less:Interest Servicing	(5,867)	Cash Flow Statement
FFO(A)	12737	
Total Debt	74490	Working Note 8
Less: Cash and Cash Equivalents	(1,934)	Working Note 9
Net Debt (B)	72556	
FFO/Net Debt(A/B)		17.55%

8. Annexure: 3
Covenant Calculation

Fund from Operation to Cash Interest Ratio as on 30-Sep-2023		
Particulars	Amount(INR Mn)	Source
Combined EBITDA	20509	Working Note 7
Less:Tax Paid	(1,905)	Cash Flow Statement
Less:Interest Servicing	(5,867)	Cash Flow Statement
FFO(A)	12737	
Interest Servicing (B)	5867	Cash Flow Statement
FFO Cash Interest (A+B)/(B)		3.17

9. Annexure: 4
Backstop Calculation

Backstop Calculation as on 30-Sep-2023	
Particulars	Amount(INR Mn)
Weighted Average Life (WALL)	
Σ (EBIDTA * Weighted Average Life) (A)	226091
Σ EBIDTA (B)	16791
Weighted Average Life (WALL) (A/B)	Sep-36
Sweep Covenant	
Backstop Date (1 year Prior to the WALL)	Sep-35
Backstop Period Start Date (10 year prior to the Backstop Date)	Sep-25
Sweep Covenant i.e Senior Debt Redemption Amount (Applicable or Not Applicable)	Not Applicable

10. Annexure: 5

Working Notes

Working Note 1-Revenue Net off Trading Revenue		
Particulars	Amount(INR Mn)	Source
Total Revenue(A)	24249	P&L Statement
Trading Revenue(B)	1458	P&L Statement
Net Revenue(A-B)	22791	

Working Note 2-O&M Expenses & Statutory Dues		
Particulars	Amount(INR Mn)	Source
Employee Benefits Expense(A)	1087	P&L Statement
Other Expenses(B)	1196	P&L Statement
Taxes Paid(C)	1905	Cash Flow Statement
Total(A+B+C)	4189	

Working Note 3-Increase in Working Capital Loan		
Particulars	Amount(INR Mn)	Source
Working Capital Loan as on September,2022		
Secured Borrowings from Banks*	6908	
Unsecured Borrowings from Banks	0	Balance Sheet Schedule 27
Total	6908	
Working Capital Loan as on September,2023		
Secured Borrowings from Banks	5910	Balance Sheet Schedule 27
Unsecured Borrowings from Banks	0	Balance Sheet Schedule 27
Total	5910	
Increase in Working Capital Loan	(999)	
*Secured Borrowings include Working Capital Loans after considering the Restructuring and Novation of the Dollar Bond		

Working Note 4-Change in Working Capital		
Particulars	Amount(INR Mn)	Source
(Increase) / Decrease in Operating Assets :		
Trade Receivables	1,040	Cash Flow Statement
Other financial assets and other assets	(1,274)	Cash Flow Statement
Inventories	(45)	Cash Flow Statement
Increase / (Decrease) in Operating Liabilities :		
Trade Payables	663	Cash Flow Statement
Other financial liabilities, other liabilities and provision	(190)	Cash Flow Statement
Working Capital Loan	(999)	Working Note 3
Total Changes in Working Capital	(805)	

Working Note 5-Addition in Debt Service Reserve Account		
Particulars	Amount(INR Mn)	Source
Debt Service Reserve Account as on September,22	800	
Debt Service Reserve Account as on September,23	800	
Addition in Debt Service Reserve Account	-	

Working Note 6-Cash and Bank Balance		
Particulars	Amount(INR Mn)	Source
Investments	1066	Balance Sheet Schedule 7 & 13
Cash and Cash Equivalents	9	Balance Sheet Schedule 15
Other Bank balances	0	Balance Sheet Schedule 16
Fixed Deposits	859	Balance Sheet Schedule 9
Total Cash and Cash Equivalent (A)	1934	
Cash and Cash Equivalent Allocation for:		
Debt Service Reserve Account(B)	800	
Balance Cash and Cash Equivalent(A-B-C)	1134	

Working Note 7 -Combined EBITDA		
Particulars	Amount(INR Mn)	Source
Profit Before Tax	7,457	P&L Statement
Depreciation and Amortisation Expense	5,751	P&L Statement
Finance Costs	7,301	P&L Statement
EBITDA	20,509	

Working Note 8-Total Debt		
Particulars	Amount(INR Mn)	Source
USD Bonds	68,580	Working Note 10
Other Short term Debt	5,910	Balance Sheet Schedule 27
Total Debt	74,490	

Working Note 9-Cash and Cash Equivalents and Free Cash Flow from Subsidiaries		
Particulars	Amount(INR Mn)	Source
Cash and Cash Equivalents	1934	Working Note 6
Free Cash Flow from subsidiaries	0	Working Note 11
Total	1934	

Working Note 10-USD Bonds as per Hedge Rate			
Hedge Instrument	Amount(USD Mn.)	Hedge Rate	Amount(INR Mn.)
Principal only Swap	907.5	75.57	68580
Total USD Debt			68580

Working Note 11-Free Cash Flow from subsidiaries	
Subsidiary	Amount(INR Mn.)
	NIL
Total	0
Note: Post Restructuring, ATSOL Obligor Group has no investment or other direct relation.	

Working Note 12-Opening Cash Balance as on 1-October-2022		
Particulars	Amount(INR Mn)	Source
Investments	897	Based on opening of ATIL, MEGPTCL & ATSOL
Cash and Cash Equivalentents	21	Based on opening of ATIL, MEGPTCL & ATSOL
Other Bank balances	800	Based on opening of ATIL, MEGPTCL & ATSOL
Total(A)	1,718	
Encumbered Opening cash balance(Balances held as Margin Money)(B)	800	
Unencumbered Opening cash balance(A-B)	918	



DHARMESH PARIKH & CO LLP

CHARTERED ACCOUNTANTS

[LLPIN: AAW-6517]

303/304, "Milestone".

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INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS

The Board of Directors
Adani Energy Solutions Limited
Ahmedabad.

Report on the Audit of the Special Purpose Combined Financial Statements for the twelve months ended 30th September 2023.

Opinion

We have audited the accompanying special purpose combined financial statements of **Adani Transmission Step-One Limited , Adani Transmission (India) Limited and Maharashtra Eastern Grid Power Transmission Company Limited** (collectively, the "Obligor Group") as described in note [1] of the special purpose combined financial statements, which comprise the Combined Balance Sheets as at September 30, 2023, the Combined Statement of Profit and Loss [including other comprehensive Income/(Loss)], the Combined Statement of Changes in Equity and the Combined Statement of Cash Flows for the twelve months ended September 30, 2023 and notes to the special purpose combined financial statements, including a summary of significant accounting policies and other explanatory information (collectively, the "Special Purpose Combined Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Combined Financial Statements is prepared, in all material respects, in accordance with the basis set out in note [2.2] to the Special Purpose Combined Financial Statements.

Basis for Opinion

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

Emphasis of Matter - Basis of Accounting and Restriction on Use

We draw attention to note [2.1 and 2.2] to the Special Purpose Combined Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Combined Financial Statements have been prepared for the purpose of Lenders requirements in relation to already issued USD denominated Notes by the Obligor Group. As a result, the Special Purpose Combined Financial Statements may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.



Dharmesh Parikh & Co. (Registration No. GUJ/AH/102552), a Partnership Firm has been converted into Dharmesh Parikh & Co LLP (LLP Identification No. AAW-6517) with effect from 9th Day of April, 2021



INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS (Continued)

Management's Responsibility for the Special Purpose Combined Financial Statements

The Board of Directors of the Obligor Group are responsible for the preparation and presentation of these Special Purpose Combined Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Obligor Group in accordance with the basis stated in Note [2.2] to the Special Purpose Combined Financial Statements for the purpose set out in "Emphasis of Matter- Basis of Accounting and Restriction on Distribution and Use" paragraph above.

The respective Board of Directors of the companies included in the Obligor Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Obligor Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Combined Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Special Purpose Combined Financial Statements by the Directors of the Obligor Group, as aforesaid.

In preparing the Special Purpose Combined Financial Statements, Directors of the Obligor Group are responsible for assessing the Obligor Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Obligor Group or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the Special Purpose Combined Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs and other pronouncements issued by ICAI will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose Combined Financial Statements.





INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS (Continued)

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

- Identify and assess the risks of material misstatement of the Special Purpose Combined Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Obligor Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Obligor Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Combined Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Obligor Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Special Purpose Combined Financial Statements, including the disclosures, and whether the Special Purpose Combined Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.





DHARMESH PARIKH & CO LLP
CHARTERED ACCOUNTANTS
[LLPIN: AAW-6517]

303/304, "Milestone"

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INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS (Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

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

Place : Ahmedabad

Date : 20th November, 2023



For, **Dharmesh Parikh & Co LLP**
Chartered Accountants
FRN: 112054W/W100725

Chirag & Shah

(CA. CHIRAG SHAH)

Partner

Membership No. 122510.

UDIN - 23122510BQUH03972

Particulars	Notes	As at	As at
		30th September, 2023 (₹ in Million)	30th September, 2022 (₹ in Million)
ASSETS			
Non-current Assets			
Property, Plant and Equipment	6.1	56,792.9	62,326.7
Capital Work-In-Progress	6.2	410.0	270.7
Right of Use Assets (Net)		62.3	92.8
Goodwill		3,139.0	3,139.0
Other Intangible Assets	6.3	48.5	49.5
Financial Assets			
(i) Investments	7	791.9	55,455.8
(ii) Loans	8	15,713.3	35,339.5
(iii) Other Financial Assets	9	9,585.2	16,055.7
Income Tax Assets (Net)	10	64.1	305.6
Other Non-current Assets	11	9,441.4	9,431.5
Total Non-current Assets		96,048.6	1,82,466.7
Current Assets			
Inventories	12	411.3	366.1
Financial Assets			
(i) Investments	13	274.0	102.5
(ii) Trade Receivables	14	4,764.9	5,885.1
(iii) Cash and Cash Equivalents	15	9.1	31.6
(iv) Bank balances other than (iii) above	16	0.4	7,458.6
(v) Loans	17	4.8	4,695.7
(vi) Other Financial Assets	18	8,711.3	3,887.7
Other Current Assets	19	299.6	347.0
Total Current Assets		14,475.4	22,774.3
Total Assets		1,10,524.0	2,05,241.0
EQUITY AND LIABILITIES			
Equity			
Share Capital	20	0.1	11,154.9
Instrument Entirely Equity in Nature	21	25,000.0	-
Other Equity	22	(14,701.9)	85,536.4
Total Equity		10,298.2	94,691.3
Liabilities			
Non-current Liabilities			
Financial Liabilities			
- Borrowings	23	77,241.5	80,643.3
- Other Financial Liabilities	24	419.1	510.7
Provisions	25	364.8	331.1
Deferred Tax Liabilities (Net)	26	9,427.3	9,406.6
Total Non-current Liabilities		87,452.7	90,891.8
Current Liabilities			
Financial Liabilities			
(i) Borrowings	27	8,373.4	16,003.0
(ii) Trade Payables			
- Total outstanding dues of micro enterprises and small enterprises;	28	9.3	1.2
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,654.6	1,007.5
(iii) Other Financial Liabilities	29	2,253.7	2,166.3
Other Current Liabilities	30	374.1	446.4
Provisions	25	43.9	33.6
Current Tax liabilities (Net)	31	64.1	-
Total Current Liabilities		12,773.1	19,657.9
Total Equity and Liabilities		1,10,524.0	2,05,241.0

See accompanying notes forming part of the Obligor Group Special Purpose Combined Financial statements

As per our attached report of even date
For Dharmesh Parikh & Co. LLP
Chartered Accountants
Firm Registration Number : 112054W/W100725

Chirag & Shah

CHIRAG SHAH
Partner
Membership No. 122510



For and on behalf of the board of directors of
ADANI ENERGY SOLUTIONS LIMITED

Anil Sardana

ANIL SARDANA
Managing Director
DIN 00006867

Rohit Soni

ROHIT SONI
Chief Financial Officer

Jaladhi Shukla

JALADHI SHUKLA
Company secretary



Place : Ahmedabad
Date : 20th November, 2023

Place : Ahmedabad
Date : 20th November, 2023

Particulars	Notes	For the twelve months ended	For the twelve months ended
		30th September, 2023	30th September, 2022
		(₹ in Million)	(₹ in Million)
Income			
Revenue from Operations			
(i) From Transmission Business	32	21,840.4	17,946.2
(ii) From Trading Business	33	1,457.9	9,044.2
Other Income	34	951.0	4,747.3
Total Income		24,249.3	31,737.7
Expenses			
Purchase of Stock-in-Trade	35	1,456.9	9,043.6
Employee Benefits Expense	36	1,087.3	880.7
Finance Costs	37	7,301.0	7,594.3
Depreciation and Amortisation Expense	6.1 & 6.3	5,751.1	5,718.2
Other Expenses	38	1,196.3	1,310.6
Total Expenses		16,792.6	24,547.4
Profit Before Tax and before deferred assets recoverable /adjustable for the period		7,456.7	7,190.3
Tax Expense:	39		
Current Tax		2,058.8	1,347.3
Deferred Tax		20.7	(91.1)
Total Tax Expenses		2,079.5	1,256.3
Profit After Tax and before deferred assets recoverable /adjustable for the period		5,377.2	5,934.1
Deferred assets recoverable / adjustable		20.7	(91.1)
Profit After Tax for the period		5,397.9	5,843.0
Other Comprehensive Income/(Loss)			
(a) Items that will not be reclassified to Profit or Loss			
- Remeasurement of Defined Benefit Plans		(19.2)	(41.3)
(b) Tax relating to items that will not be reclassified to Profit or Loss		6.9	1.5
(c) Items that will be reclassified to profit or loss			
- Effective portion of gains and losses on designated portion of		(585.4)	(2,156.2)
(d) Tax relating to items that will be reclassified to Profit or Loss		-	-
Total Other Comprehensive Income (Net of Tax) for the period		(597.7)	(2,196.0)
Total Comprehensive Income		4,800.2	3,647.0
Profit for the period attributable to			
Owners of the Company		5,397.9	5,843.0
Non-controlling interests		-	-
		5,397.9	5,843.0
Other Comprehensive Income for the period attributable to:			
Owners of the Company		(597.7)	(2,196.0)
Non-controlling interests		-	-
		(597.7)	(2,196.0)
Total Comprehensive Income for the period attributable to			
Owners of the Company		4,800.2	3,647.0
Non-controlling interests		-	-
		4,800.2	3,647.0

See accompanying notes forming part of the Obligor Group Special Purpose Combined Financial statements

As per our attached report of even date

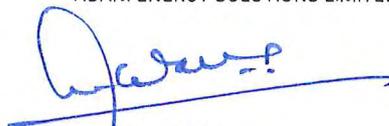
For Dharmesh Parikh & Co. LLP
Chartered Accountants
Firm Registration Number : 112054W/W100725



CHIRAG SHAH
Partner
Membership No. 122510



For and on behalf of the board of directors of
ADANI ENERGY SOLUTIONS LIMITED



ANIL SARDANA
Managing Director
DIN 00006867



ROHIT SONI
Chief Financial Officer



JALADHI SHUKLA
Company secretary



Place : Ahmedabad
Date : 20th November, 2023



Place : Ahmedabad
Date : 20th November, 2023

Obligor Group Special Purpose Combined Statement of Changes in Equity for the twelve months ended 30th September, 2023

A. Equity Share Capital

Particulars	No. Shares	(₹ in Million)
Balance as at 1st October, 2021	1,05,98,10,083	10,998.1
Changes in equity share capital during the period:		
Issued of shares during the period	1,56,02,600	156.8
Balance as at 30th September, 2022	1,11,54,92,683	11,154.9
Changes in equity share capital during the period:		
Less: On account of restructuring	(1,11,54,92,683)	(11,154.9)
Add: On account of restructuring	10,000	0.1
Balance as at 30th September, 2023	10,000	0.1

B. Unsecured Perpetual Equity Instrument

Particulars	(₹ in Million)
Balance as at 1st October, 2021	29,701.2
(i) Add: Availed during the period	690.0
(ii) Add: Distribution on Unsecured Perpetual Equity Instrument (Net of Tax)	1,199.5
(iii) Less: Repaid during the period	(30,754.5)
(iv) Less: Conversion to ICC during the period	(836.2)
Balance as at 30th September, 2022	-
(i) Add: Availed during the period	-
(ii) Add: Distribution on Unsecured Perpetual Equity Instrument (Net of Tax)	-
(iii) Less: Repaid during the period	-
(iv) Less: Conversion to ICC during the period	-
Balance as at 30th September, 2023	-

C. Other Equity

Particulars	Reserve and Surplus								Item of other Comprehensive Income	Total
	Capital Reserve	General Reserve	Retained Earning	Contingency Reserve	Capital Redemption Reserve	Self Insurance Reserve	Securities Premium	Restructuring reserve		
Balance as at 1st October, 2021	114.7	12,019.5	5,934.3	813.4	24,365.3	186.5	-	-	(688.1)	42,745.5
Profit for the period	-	-	5,843.0	-	-	-	-	-	-	5,843.0
Other Comprehensive Income/(Loss) for the period (Net of tax)	-	-	(35.8)	-	-	-	-	-	(2,155.1)	(2,190.9)
Transfer from Retained Earning to Contingency Reserve	-	-	(90.0)	90.0	-	-	-	-	-	-
Add/(Less) Transfer from Retained Earning to Capital Redemption Reserve (CRR) on redemption of optionally convertible Redeemable Preference Shares (OCPP)	-	-	-	-	-	-	-	-	-	-
(Less) Distribution on Unsecured Perpetual Equity Instrument	-	-	(1,199.5)	-	-	-	-	-	-	(1,199.5)
Add: Addition during the period	-	-	-	-	-	-	38,343.2	-	-	38,343.2
Transfer to Self Insurance Reserve	-	(150.0)	-	-	-	150.0	-	-	-	-
Balance as at 30th September, 2022	114.7	11,869.5	10,448.0	903.4	24,365.3	336.5	38,343.2	-	(2,844.2)	83,536.4
Profit for the period	-	-	5,397.3	-	-	-	-	-	-	5,397.3
Add/(Less) Other Comprehensive Income for the period (Net of tax)	-	-	(12.3)	-	-	-	-	-	(585.5)	(597.8)
Transfer from Retained Earning to Contingency Reserve	-	-	(153.5)	153.5	-	-	-	-	-	-
Transfer from Retained Earnings on redemption of optionally convertible redeemable Preference Shares to Capital Redemption Reserve	-	-	-	-	-	-	-	-	-	-
(Less) Distribution on Unsecured Perpetual Equity Instrument	-	-	-	-	-	-	-	-	-	-
Add: Addition during the period	-	-	-	-	-	-	-	-	72.0	72.0
Add/Less: On account of restructuring	(114.7)	(12,205.0)	15,298.0	-	-	-	(38,343.2)	(65,744.4)	-	(1,03,119.3)
Transfer to Self Insurance Reserve	-	515.5	-	-	-	(515.5)	-	-	-	-
Balance as at 30th September, 2023	-	-	28,978.0	1,056.9	24,365.3	-	-	(65,744.4)	72.0	(3,429.7)

See accompanying notes forming part of the Obligor Group Special Purpose Combined Financial statements.

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

CHIRAG SHAH
Partner
Membership No. 1120510



For and on behalf of the board of directors of
ADANI ENERGY SOLUTIONS LIMITED

ANIL SARDANA
Managing Director
DIN 00006867

JALADHI SHUKLA
Company secretary

Place : Ahmedabad
Date : 20th November, 2023



ROHIT SONI
Chief Financial Officer

Place : Ahmedabad
Date : 20th November, 2023

Obligor Group Special Purpose Combined Statement of Cash Flows for the twelve months ended 30th September, 2023

Particulars	For the twelve months ended	For the twelve months ended
	30th September, 2023 (₹ in Million)	30th September, 2022 (₹ in Million)
A. Cash flows from operating activities		
Profit before tax	7,456.7	7,190.3
Adjustments for:		
Depreciation and Amortisation Expense	5,751.1	5,718.2
Gain on Sale/Fair Value of Current Investments measured at FVTPL	-	(717.5)
Finance Costs	7,301.0	8,348.0
Interest income	(919.8)	(3,523.5)
Loss on sale of Fixed Asset	2.2	0.2
Unrealised Foreign Exchange (Gain)/Loss - Borrowings net of hedging	-	(753.7)
Unclaimed Liabilities / Excess provision written back	(9.7)	(0.6)
Operating profit before working capital changes	19,581.5	16,261.4
Movement in Working Capital:		
(Increase) / Decrease in Operating Assets :		
Trade Receivables	1,039.8	(2,706.3)
Other financial assets and other assets	(1,274.0)	(1,449.2)
Inventories	(45.1)	(56.7)
Increase / (Decrease) in Operating Liabilities :		
Trade Payables	662.6	520.3
Other financial liabilities, other liabilities and provision	(189.8)	587.4
Cash generated/ (used) from operations	19,775.0	13,156.9
Less: Taxes paid (Net)	(1,904.8)	(1,818.3)
Net cash flows (used in)/generated from operating activities (A)	17,870.2	11,338.6
B. Cash flow from investing activities		
Purchase of Property, Plant and Equipment (including Capital Work-in-progress, other intangible assets, capital advances and capital creditors)	(292.7)	(379.7)
Acquisition of Subsidiaries	-	(1,434.8)
Investment in Subsidiaries	-	(34.4)
Investment in Optionally Convertible Debentures of Subsidiary Company	-	(97.9)
Loan to / received back subsidiary in the nature of Equity (net)	-	19.4
Sale/(Purchase) of current investment (net)	(168.2)	7.8
Proceeds from / (Deposits in) Bank deposits (net) (Including Margin money deposit)	(31.6)	(797.4)
Purchase of Non Current Investments (Contingency Reserve)	-	(185.4)
Interest received	617.2	935.6
Non-current loans given	(25,115.3)	(23,762.4)
Non-current Loans received back	11,176.3	12,725.1
Current Loans (given) / received back (Net)	(0.8)	(4,928.9)
Net cash flows from/(used in) investing activities (B)	(13,815.1)	(17,932.9)
C. Cash flow from financing activities		
Payment for Lease Liability including interest	(59.9)	(67.3)
Proceeds from of Long- term borrowings	16,097.4	43,433.5
Repayment of Long-term borrowings	(13,249.6)	(41,010.2)
Proceeds/(repayment) from Short- term borrowings	(998.7)	2,037.5
Proceeds from issue of share capital	-	38,500.0
Proceeds from issue of Unsecured Perpetual Equity Instrument	-	690.0
Repayment of Unsecured Perpetual Equity Instrument (including distribution and net of TDS)	-	(30,754.4)
Finance Costs Paid	(5,866.8)	(6,338.5)
Net cash flows used in financing activities (C)	(4,077.6)	6,490.6
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(22.5)	(103.7)
Cash and cash equivalents at the beginning of the period/year	31.6	135.3
Cash and cash equivalents at the end of the period/year	9.1	31.6
Cash and Cash Equivalents Includes (Refer Note 9 & 15)		
	As at	As at
	30th September, 2023	30th September, 2022
	(₹ in Million)	(₹ in Million)
Balances with Banks		
- In Current Accounts	9.1	31.6
- Fixed Deposits (with original maturity for three months or less)	-	-
Total	9.1	31.6

See accompanying notes forming part of the Obligor Group Special Purpose Combined Financial statements

As per our attached report of even date

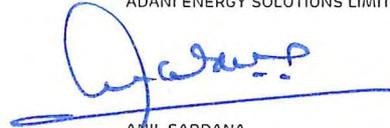
For Dharmesh Parikh & Co. LLP
Chartered Accountants
Firm Registration Number : 112054W/W100725



CHIRAG SHAH
Partner
Membership No. 122510



For and on behalf of the board of directors of
ADANI ENERGY SOLUTIONS LIMITED



ANIL SARDANA
Managing Director
DIN 00006867



ROHIT SONI
Chief Financial Officer



JALADHI SHUKLA
Company secretary



Place : Ahmedabad
Date : 20th November, 2023

Place : Ahmedabad
Date : 20th November, 2023



1 General information

Adani Energy Solutions Limited ("The Company") ("AESL") is a public limited company incorporated and domiciled in India. Its ultimate holding entity is S. B. Adani Family Trust (SBFT), having its registered office at 'Adani Corporate House', Shantigram, Near Vaishno Devi Circle, S.G.Highway, Khodiyar, Ahmedabad - 382421, Gujarat, India. The Company and its subsidiaries are engaged in the business of generation, transmission and distribution of power through India. The Group develops, owns and operates transmission lines across the States of Gujarat, Rajasthan, Bihar, Jharkhand, Uttar Pradesh, Maharashtra, Haryana, Chhattisgarh, Madhya Pradesh, West Bengal, Tamilnadu, Andhra Pradesh and Telangana. Apart from the above the group also deals in various Bullion and Agro commodities. The Group has entered into new business opportunities, being laying optical fibers on transmission lines with the ambition of providing telecom solutions to Telcos, Internet service providers and long distance communication operators. The commercialization of the network is being done through leasing out spare capacities to potential players in the Telecom sector.

Adani Transmission (India) Limited ("The Company") ("ATIL") is a public limited company incorporated and domiciled in India and has its registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad 382 421, Gujarat, India. The principle activity of company is to establish, commission, operate and maintain Transmission Systems. The company is having a dedicated transmission line from Mundra to Dehgam, Mundra to Mohindergarh and Tiroda to Warora with total circuit length of approximately 3834 ckt km located in the states of Gujarat, Maharashtra and Haryana.

The Company has entered in to new business opportunities through OPGW fibres on transmission lines with the ambition of expanding its telecom solutions to Telcos, Internet service providers and long distance communication operators. The commercialization of the network shall be done through leasing out spare capacities to potential communication players.

Maharashtra Eastern Grid Power Transmission Company Limited ("The Company") ("MEGPTCL") is a public limited company incorporated and domiciled in India and has its registered office at Adani Corporate House, Shantigram, S.G. highway, near vaishno devi circle, Khodiyar Ahmedabad Gujrat 382421. The company establish, commission, operate and maintain Transmission Systems.

The Company operates the Tiroda-Aurangabad Transmission System, which is located in the state of Maharashtra, which is a 765 kV Transmission System of 1,213 ckms from Tiroda to Aurangabad.

The Company's main source of revenue is electricity transmission tariffs where the tariffs are set on "cost plus-basis" by the regulators i.e. Maharashtra Electricity Regulatory Commission (MERC). This "cost-plus basis" tariff is determined based on a number of components that are aggregated into an Annual Transmission Charges which is paid to us by Maharashtra State Electricity Transmission Company Limited (MSETCL).

Adani Transmission Step-One Limited ("The Company") ("ATSOL") is a public limited company incorporated and domiciled in India and has its registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad 382 421, Gujarat, India. The company is incorporated on 23rd September, 2020. The company is deals in various Bullion and Agro commodities.

Pursuant to an agreement between AESL and its wholly owned subsidiaries, viz: Adani Transmission Step- One Limited ('ATSOL'), Adani Transmission (India) Limited ('ATIL'), and Maharashtra Eastern Grid Power Transmission company Limited ('MEGPTCL'), AESL has transferred/novated, as the case may be, its investments in equity shares of, and Inter Corporate Deposits placed with ATIL and MEGPTCL, USD denominated borrowings of Senior Secured Notes / Bonds along with corresponding hedge contracts, identified fixed assets, cash equivalent to restricted reserve and working capital loans to ATSOL after obtaining requisite approvals and consents.

The Parent Company and certain subsidiaries of the Parent company which are collectively known as the "Obligor Group" (as more clearly explained in the note below) have issued USD denominated notes which are listed on Singapore Exchange Securities Trading Limited (SGX-ST).

The Obligor Group entities Comprise the Parent Company and the following wholly owned entities:-

Entities *	Country of Incorporation
Adani Transmission Step-One Limited	India
Adani Transmission (India) Limited	India
Maharashtra Eastern Grid Power Transmission Company Limited	India

* Restructuring between AESL and subsidiaries was carried out in previous year hence comparative figures till Sep'23 includes the AESL. After restructuring the obligor group now includes above mentioned entities and hence certain assets and liabilities are not comparable.

2.1 Purpose of the Special Purpose Combined Financial Statements

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 Obligor Group. The Combined Financial Statements presented herein reflect the Obligor Group's results of operations, assets and liabilities and cash flows for the period presented. The basis of preparation and Significant accounting policies used in preparation of these Special Purpose Combined Financial Statements are set out in note 2.2 and 3 below. The basis of preparation and Significant accounting policies used in preparation of these Special Purpose Combined Financial Information are set out in notes below.

2.2 Basis of Preparation

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



Notes to Obligor Group Special Purpose Combined Financial Statements for the twelve months ended 30th September, 2023

As per the Guidance Note on Combined and Carve out Financial Statements, the procedure for preparing combined financial statements of the combining entities is similar to that of consolidated financial statements as per the applicable Indian Accounting Standards. Accordingly, when combined financial statements are prepared, intra-group transactions and profits or losses are eliminated. All the inter group transactions are undertaken on Arm's Length basis. The information presented in the combined financial statements of the Obligor 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.

The following procedure is followed for the preparation of the Combined Financial Statements:

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

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

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.

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

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

The Function currency of the Obligor Group is Indian Rupee(INR). The Special Purpose Combined financial statements are presented in INR and all values are rounded to the nearest Million (Transactions below ₹ 5000.00 denoted as ₹ 0.00), unless otherwise indicated.

3 Significant accounting policies

a Current versus Non Current Classification

The obligor Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

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

A liability is current when:

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

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The obligor Group has identified twelve months as its operating cycle.

b Foreign Currency

In preparing the financial statements of the Group, transactions in currencies other than the entity's functional currency are recognised at the rate of exchange prevailing on the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

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

- (i) exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- (ii) exchange differences on transactions entered into in order to hedge certain foreign currency risks.

c 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.

The specific recognition criteria described below must also be met before revenue is recognised:

(i) Income from Transmission Lines

- 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.
- Revenue in respect of delayed payment charges and interest on delayed payments leviable as per the relevant contracts are recognised on actual realisation or accrued based on an assessment of certainty of realization supported by either an acknowledgement from customers or on receipt of favourable order from regulator / authorities.



(ii) Income from Services

Revenues are recognised immediately when the service is provided. The Group collects the tax on behalf of the government and therefore, these are not economic benefits flowing to the Group. Hence they are excluded from revenue.

(iii) Sale of traded Goods

Revenue is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- > The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- > The amount of revenue can be measured reliably; and
- > It is probable that the economic benefits associated with the transaction will flow to the Group.

(iv) 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 that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

d Taxation

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

i) Current Tax :

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

ii) Deferred Tax :

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

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

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

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

ATIL and MEGPTCL is eligible and claiming tax deductions available under section 80IA of the Income Tax Act, 1961 for a period of 10 years and 7 years respectively for eligible businesses. In view of the Company availing tax deduction under Section 80IA of the Income Tax Act, 1961, deferred tax has been recognised in respect of temporary difference, which reverse after the tax holiday period in the year in which the temporary difference originate and no deferred tax (assets or liabilities) is recognised in respect of temporary difference which reverse during tax holiday period, to the extent such gross total income is subject to the deduction during the tax holiday period. For recognition of deferred tax, the temporary difference which originate first are considered to reverse first.

CERC / MERC tariff norms provide the recovery of Income Tax from the beneficiaries by way of grossing up the return on equity based on effective tax rate for the financial year shall be based on the actual tax paid during the year on the transmission income. Accordingly, deferred tax liability provided during the period is fully recoverable from beneficiaries and known as "Deferred Asset recoverable / adjustable" in accordance with guidance given by Expert Advisory Committee of The Institute of Chartered Accountant of India (ICAI) in its opinion on a similar matter. The same will be recovered when the related deferred tax liability forms a part of current tax.

e Property, Plant and Equipment (PPE)

Land and building held for use in the production or for administrative purposes are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Free hold land is not depreciated.

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

Depreciation is recognised based on the cost of assets (other than land) less their residual values over their useful lives.

i) Depreciation in respect of assets related to electricity generation, transmission and distribution business except (ii) & (iii) below are covered under Part B of Schedule II of the Companies Act, 2013, has been provided on the straight line method (considering a salvage value of 5%) at the rates using the methodology as notified by the respective regulators.

ii) In respect of assets other than (i) above, depreciation on fixed assets is calculated on straight-line method (SLM) (considering a salvage value of 5%) basis using the rates arrived on the basis on useful life as specified in Schedule II of the Companies Act, 2013. The estimated Useful lives, residual value and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.



Decapitalisation

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

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

Type of Assets	Useful lives
Building	25-30 Years
Plant and Equipment	3-35 Years
Furniture and Fixtures	10-15 Years
Office Equipment	5-15 Years
Computer Equipment	3-6 Years
Vehicles	8-10 Years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal.

Derecognition of Intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in statement of profit and loss when the asset is derecognised.

Useful life

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Estimated useful lives of the intangible assets are as follows:

Type of Assets	Useful lives
Computer Software	3-5 years

f Impairment of tangible and intangible assets other than goodwill

PPE (including CWIP) and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Intangible assets having indefinite useful lives are tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired.

For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the recoverable amount is determined at the cash generating unit ("CGU") level to which the said asset belongs. If such individual assets or CGU are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the asset / CGU exceeds their estimated recoverable amount and allocated on pro-rata basis.

Impairment losses are reversed in the statement of profit and loss and the carrying value is increased to its revised recoverable amount provided that this amount does not exceed the carrying value that would have been determined had no impairment loss been recognised for the said asset / CGU in previous periods.

g Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

h Inventories

Inventories are stated at the lower of weighted average cost or net realisable value. Costs include all non-refundable duties and all charges incurred in bringing the goods to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Unserviceable/damaged stores and spares are identified and written down based on technical evaluation.



i Employee benefits

Defined benefit plans

The obligor Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees through Group Gratuity Scheme of Life Insurance Corporation of India. The obligor 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.

Defined Contribution Plans

Retirement Benefits in the form of Provident Fund and Family Pension Fund which are defined contribution schemes are charged to the statement of profit and loss for the period in which the contributions to the respective funds accrue.

Compensated Absences

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

Current and other non-current employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of current employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other non-current employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

j Leases

At inception of a contract, The Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

Lease term is a non-cancellable period together with periods covered by an option to extend the lease if The Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if The Group is reasonably certain not to exercise that option.



k Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

- > 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 obligor Group.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Fair value measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

The obligor 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 financial statements 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

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per The Obligor Group's accounting policies.

For the purpose of fair value disclosures, the obligor 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.

l Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

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

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

(A) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

1) Classification of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost (except for financial assets that are designated at fair value through profit or loss on initial recognition):

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost.

All other financial assets are subsequently measured at fair value.

a) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the Group makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.



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

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading. Other financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the Statement of Profit and Loss.

2) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial assets and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and transaction costs and other premiums or discounts) through the expected life of the financial assets, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value through Profit and Loss (FVTPL). Interest income is recognised in the Statement of Profit and Loss and is included in the "Other income" line item.

3) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Obligor Group of similar financial assets) is primarily derecognised (i.e. removed from the Obligor Group's balance sheet) when:

the right to receive cash flows from the asset have expired, or

the Obligor Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Obligor Group has transferred substantially all the risks and rewards of the asset, or (b) the Obligor Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Obligor Group has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Obligor Group continues to recognise the transferred asset to the extent of the Obligor Group's continuing involvement. In that case, the Obligor Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Obligor Group has retained.

4) Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

Expected credit losses rate the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Group estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instruments has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that will result if default occurs within the 12 months after the reporting date and this, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

5) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in the Statement of Profit and Loss.



(B) Financial liabilities and equity instruments**1) Classification as debt or equity**

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instruments

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

3) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

4) Financial liabilities at Fair Value through Profit or Loss (FVTPL)

A financial liability may be designated as at FVTPL upon initial recognition if:

- (a) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- (b) The financial liability whose performance is evaluated on a fair value basis, in accordance with the Group's documented risk management;

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Statement of Profit and Loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Fair values are determined in the manner described in note 42.

5) Financial liabilities at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Trade and other payables are recognised at the transaction cost, which is its fair value, and subsequently measured at amortised cost.

6) Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL or amortisation cost, the foreign exchange component forms part of the fair value gains or losses and is recognised in the Statement of Profit and Loss.

7) Derecognition of Financial Liability

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

m) Reclassification of financial assets and liabilities

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

n) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

o) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivatives financial instruments are disclosed.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately.



p 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 obligor group enters into forward contracts, Principle only Swaps (POS) and other derivative financial instruments. The Company does not hold derivative financial instruments for speculative purposes.

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

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

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

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

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
 - Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.
- The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.
- At the inception of a hedge relationship, the obligor group formally designates and documents the hedge relationship to which the obligor group wishes to apply hedge accounting.
- The documentation includes the obligor 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 obligor 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.

q Cash & Cash Equivalents

Cash comprises cash on hand, cash at bank and demand deposit with banks (with an original maturity of three months or less from the date of creation). Cash equivalents are short-term balances that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

r Statement of Cash Flows

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

s Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When the obligor Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.



Contingent liability

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise are disclosed as contingent liability and not provided for. Such liability is not disclosed if the possibility of outflow of resources is remote.

Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets are not recognised but disclosed only when an inflow of economic benefits is probable.

t Business combinations and Goodwill

The obligor Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

If the initial accounting for a business combination is incomplete as at the reporting date in which the combination occurs, the identifiable assets and liabilities acquired in a business combination are measured at their provisional fair values at the date of acquisition. Subsequently adjustments to the provisional values are made within the measurement period, if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date; otherwise the adjustments are recorded in the period in which they occur.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

- u Under special purpose financials, obligor group has recognised Right of use Assets net of Lease liability for the period/year ended 30th September, 2023 & 30th September, 2022.

4 Significant accounting judgements, estimates and assumptions**Critical accounting judgements and key sources of estimation uncertainty**

The application of the obligor Group's accounting policies as described in Note 3, in the preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the acGrouping disclosures, and the disclosure of contingent liabilities. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

The estimates and underlying assumptions are reviewed on an ongoing basis and any revisions thereto are recognized in the period in which they are revised or in the period of revision and future periods if the revision affects both the current and future periods. Actual results may differ from these estimates which could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

4.1 Property, plant and equipment¹**i) Depreciation rates, depreciation method and residual value of property, plant and equipment¹**

Depreciation in respect of assets related to electricity Transmission business is provided on a straight line basis at the rates provided in Appendix II of Central Electricity Regulatory Commission (Terms and conditions of Tariff) Regulations, 2014. In case of other Assets depreciation on fixed assets is calculated on straight-line method (SLM) using the rates arrived at based on the useful life as specified in Schedule II of the Companies Act, 2013.

ii) Impairment of property plant and equipment²

At the end of each reporting period, the obligor group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

4.2 Impairment of financial assets**Investments made / Intercorporate deposits ("ICDs") given to subsidiaries²**

In case of investments made and Intercorporate Deposits ("ICD") given by the Group to its subsidiaries, the Management assesses whether there is any indication of impairment in the value of such investments and ICDs given. The carrying amount is compared with the present value of future net cash flow of the subsidiaries.



4.3 Taxation

i) Deferred tax assets²

Deferred tax assets are recognised for unused tax losses / credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

CERC / MERC tariff norms provide the recovery of Income Tax from the beneficiaries by way of grossing up the return on equity based on effective tax rate for the financial year shall be based on the actual tax paid during the year on the transmission income. Accordingly, deferred tax liability provided during the period is fully recoverable from beneficiaries and known as "Deferred Asset recoverable / adjustable" in accordance with guidance given by Expert Advisory Committee of The Institute of Chartered Accountant of India (ICAI) in its opinion on a similar matter. The same will be recovered when the related deferred tax liability forms a part of current tax.

4.4 Impairment of Goodwill²

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or Obligor Groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

4.5 Judgment to estimate the amount of provision required or to determine required disclosure related to litigation and claim against the Obligor Group (Refer Note 40)

4.6 Fair value measurement of financial instruments²

In estimating the fair value of financial assets and financial liabilities, the obligor Group uses market observable data to the extent available. Where such Level 1 inputs are not available, the Group establishes appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 42.

4.7 Defined benefit plans and other long-term employee benefits²

The present value of obligations under defined benefit plan and other long term employment benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations, attrition rate and mortality rates etc. Due to the complexities involved in the valuation and its long term nature, these obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

¹Critical accounting judgments

² Key sources of estimation uncertainties

5 Standards issued but not effective / Impact of new and amended Ind AS

New Standard / Amendments issued but not yet effective:

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

Ind AS 1-Presentation of Financial Statements

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

Ind AS 12 – Income Taxes

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

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

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

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

5.1 Social Security Code

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.



INS LIMITED

Special Purpose Combined Financial Statements for the twelve months ended 30th September, 2023

equipment

	Tangible Assets						
	Land (Free hold)	Building	Plant & Equipment	Furniture and Fixtures	Office Equipments	Computer Equipment	Vehicles
2022	758.7	895.4	1,02,499.2	21.4	55.7	83.1	8.8
od	-	0.7	115.5	0.8	8.1	14.7	-
od	-	-	-	-	-	-	-
2022	758.7	896.1	1,02,614.7	22.2	63.8	97.8	8.8
od	0.4	5.6	71.2	-	14.0	23.6	0.1
od	-	-	-	(0.2)	(3.8)	(0.7)	(0.0)
ng	(0.4)	-	(4.0)	(0.7)	-	-	(7.4)
1, 2023	758.7	901.7	1,02,681.8	21.4	74.0	120.7	1.5
od	24.7	1.9	1.1	-	2.9	16.9	-
od	-	-	-	-	(0.7)	0.0	(0.1)
2023	783.4	903.6	1,02,682.9	21.4	76.1	137.6	1.4
ation							
2022	-	217.0	39,020.7	9.0	18.2	21.6	3.9
od	-	15.5	2,820.2	0.7	2.0	6.5	0.1
od	-	-	-	-	-	-	-
2022	-	232.5	41,840.8	9.7	20.2	28.2	4.0
od	-	15.8	2,813.5	0.7	2.2	7.4	0.1
od	-	-	-	(0.0)	(2.1)	(0.6)	(0.0)
ring	-	-	(1.9)	(0.5)	-	-	(3.5)
1, 2023	-	248.3	44,652.5	9.9	20.3	35.0	0.6
od	-	15.7	2,818.7	0.7	2.5	9.7	0.1
od	-	-	-	-	(0.3)	0.0	(0.0)
2023	-	264.0	47,471.2	10.6	22.5	44.7	0.7

	Tangible Assets						
	Land (Free hold)	Building	Plant & Equipment	Furniture and Fixtures	Office Equipments	Computer Equipment	Vehicles
2022	758.7	663.5	60,773.9	12.5	43.7	69.6	4.8
2023	783.4	639.6	55,211.7	10.7	53.7	92.9	0.7



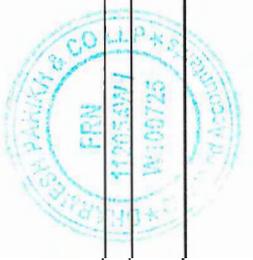
Properties for which title deeds are not in the name of Company are given below:

Sl. No.	Particulars	Description of Property	Gross carrying value (₹ in Mn)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being the promoter/director
1	Land (Free hold)	Land (Free hold)	254.1	Adani Power Limited	No	1st April, 2014	Adani Transmissi being demerged related to trans demerger, ATIL is transferring the s ATIL.
2	Leasehold Land	Leasehold Land	87.8				



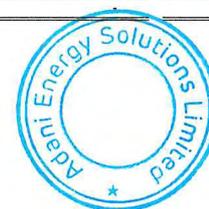
Gross carrying value (₹ in Mn)	As at	
	30th September, 2023 (₹ in Million)	30th September, 2022 (₹ in Million)
410.0	410.0	270.7
410.0	410.0	270.7

Particulars	Intangible Assets (₹ in Million)	
	Computer Software	Total
As at 30th September, 2022	79.1	79.1
As at 30th September, 2023	3.3	3.3
As at 30th September, 2022	82.4	82.4
As at 30th September, 2023	16.3	16.3
As at 30th September, 2022	0.0	0.0
As at 30th September, 2023	98.7	98.7
As at 30th September, 2022	0.2	0.2
As at 30th September, 2023	98.9	98.9
As at 30th September, 2022	25.0	25.0
As at 30th September, 2023	7.9	7.9
As at 30th September, 2022	32.9	32.9
As at 30th September, 2023	7.9	7.9
As at 30th September, 2022	0.0	0.0
As at 30th September, 2023	40.8	40.8
As at 30th September, 2022	9.6	9.6
As at 30th September, 2023	50.4	50.4
As at 30th September, 2022	49.5	49.5
As at 30th September, 2023	48.5	48.5



7 Investments

	As at 30th September, 2023 (₹ in Million)	As at 30th September, 2022 (₹ in Million)
I. Investments - carried at Cost		
(a) Investments in Equity Instruments - Unquoted		
Investments in Subsidiary Companies (Face value of ₹ 10 each)		
NII (30.09.2022 : 4,40,00,000) Equity Shares of Sipat Transmission Limited	-	440.0
NII (30.09.2022 : 9,11,00,000) Equity Shares of Raipur - Rajnandgaon-Warora Transmission Limited	-	911.0
NII (30.09.2022 : 6,80,00,000) Equity Shares of Chhattisgarh-WR Transmission Limited	-	680.0
NII (30.09.2022 : 84,99,999) Equity Shares of Adani Transmission (Rajasthan) Limited	-	85.0
NII (30.09.2022 : 50,000) Equity Shares of North Karanpura Transco Limited	-	0.5
NII (30.09.2022 : 89,40,000) Equity Shares of Maru Transmission Service Company Limited	-	89.4
NII (30.09.2022 : 52,30,000) Equity Shares of Aravali Transmission Service Company Limited	-	52.3
NII (30.09.2022 : 1,00,00,000) Equity Shares of Hadoti Power Transmission Service Limited	-	100.0
NII (30.09.2022 : 80,00,000) Equity Shares of Barmer Power Transmission Service Limited	-	80.0
NII (30.09.2022 : 70,00,000) Equity Shares of Thar Power Transmission Service Limited	-	70.0
NII (30.09.2022 : 1,00,00,000) Equity Shares of Western Transco Power Limited	-	118.4
NII (30.09.2022 : 1,00,00,000) Equity Shares of Western Transmission (Gujarat) Limited	-	130.1
NII (30.09.2022 : 2,55,00,000) Equity Shares of Fatehgarh-Bhadla Transmission Limited	-	255.0
NII (30.09.2022 : 12,19,55,000) Equity Shares of Ghatampur Transmission Limited (Refer Note 1 below)	-	1,609.0
NII (30.09.2022 : 301,15,96,827) Equity Shares of Adani Electricity Mumbai Limited	-	34,270.6
NII (30.09.2022 : 99,99,999) Equity Shares of Adani Transmission Bikaner Sikar Limited	-	510.6
NII (30.09.2022 : 5,55,00,000) Equity Shares of OBRA-C Badaun Transmission Limited	-	555.0
NII (30.09.2022 : 10,000) Equity Shares of AEML Infrastructure Limited	-	0.1
NII (30.09.2022 : 5,40,00,000) Equity Shares of Bikaner Khetri Transmission Limited	-	540.0
NII (30.09.2022 : 50,000) Equity Shares of WRSS XXI (A) Transco Limited	-	0.5
NII (30.09.2022 : 50,000) Equity Shares of Lakadia Banaskantha Transco Limited	-	0.5
NII (30.09.2022 : 2,12,50,000) Equity Shares of Jam Khambaliya Transco Limited	-	212.5
NII (30.09.2022 : 10,000) Equity Shares of Arasan Infra Private Limited	-	0.1
NII (30.09.2022 : 10,000) Equity Shares of Sunrays Infra Space Private Limited	-	0.1
NII (30.09.2022 : 7,490) Equity Shares of Power Distribution Services Limited	-	0.1
NII (30.09.2022 : 50,000) Equity Shares of Kharghar Vikhroli Transmission Limited	-	0.5
NII (30.09.2022 : 5,56,31,020) Equity Shares of Alipurduar Transmission Limited	-	4,153.3
NII (30.09.2022 : 10,000) Equity Shares of Adani Transmission Step One Limited	-	0.1
NII (30.09.2022 : 53,70,00,000) Equity Shares of Warora-Kurnool Transmission Limited	-	2,400.0
NII (30.09.2022 : 10,000) Equity Shares of ATL HVDC Limited	-	0.1
NII (30.09.2022 : 50,000) Equity Shares of MP Power Transmission Package-II Limited	-	0.5
NII (30.09.2022 : 1,31,35,000) Equity Shares of MPSEZ Utilities Limited	-	1,162.7
NII (30.09.2022 : 10,000) Equity Shares of Karur Transmission Limited	-	0.1
NII (30.09.2022 : 10,000) Equity Shares of Khavda-Bhuj Transmission Limited	-	0.1
NII (30.09.2022 : 10,000) Equity Shares of Adani Transmission Step Two Limited	-	0.1
NII (30.09.2022 : 10,000) Equity Shares of Adani Electricity Jewar Limited	-	0.1
Total (a)	-	48,428.1
(b) Investments in Compulsory Convertible Debentures (CCD) - Unquoted		
Investments in wholly owned Subsidiary Companies (Face value of ₹ 100 each)		
NII (30.09.2022 : 0% 31,57,051) CCD of North Karanpura Transco Limited	-	315.6
NII (30.09.2022 : 9% 53,45,250) CCD of Bikaner Khetri Transmission Limited	-	558.0
Total (b)	-	873.6
* During the period interest of ₹ 23.49 Million has been added to the carrying value of the instrument		
Total I (a+b)	-	49,301.7
II. Investments - carried at Fair Value through profit or loss (FVTPL)		
(a) Investments in 0% Optionally Convertible Redeemable Preference Shares - Unquoted		
Investments in wholly owned Subsidiary Company (Face value of ₹ 10 each)		
NII (30.09.2022 : 3,45,00,000) Preference Shares of Adani Transmission Bikaner Sikar Private Limited	-	81.7
Total (a)	-	81.7
(b) Investments in Optionally Convertible Debentures (OCD) - Unquoted		
Investments in wholly owned Subsidiary Companies (Face value of ₹ 100 each)		
NII (30.09.2022 : 9% 3,35,50,373) OCD of Ghatampur Transmission Limited #	-	3,635.8
NII (30.09.2022 : 9% 1,06,90,500) OCD of Bikaner Khetri Transmission Limited S	-	1,264.9
NII (30.09.2022 : 0% 18,60,68,844) OCD of Warora-Kurnool Transmission Limited	-	0.0
Total (b)	-	4,900.7
# During the period Sep'22 fair value gain of ₹ 160.9 Million has been added to the carrying value of investment		
S During the period Sep'22 fair value gain of ₹ 50.3 Million has been added to the carrying value of investment		
Total II (a+b)	-	4,982.4
III. Investments - Loan to subsidiary company in the nature of Equity support carried at Cost - Unquoted		
	As at 30th September, 2023 (₹ in Million)	As at 30th September, 2022 (₹ in Million)
Bikaner Khetri Transmission Limited	-	376.7
Total III	-	376.7
Total (I+II)	-	54,660.9



IV. Investment in Government Securities (Quoted) at amortised cost

	As at 30th September, 2023 (₹ in Million)	As at 30th September, 2022 (₹ in Million)
Investment for Contingency Reserve		
9.23% Central Government of India 2043	124.1	158.6
9.23% Central Government of India 2043	18.7	18.9
8.17% Central Government of India 2044	285.9	287.8
8.17% Central Government of India 2044	57.2	57.6
8.13% Central Government of India 2045	114.0	114.8
8.97% Central Government of India 2030	0.6	0.6
5.65% Central Government of India 2026	191.5	156.7
	<u>791.9</u>	<u>794.9</u>

Investments

	As at 30th September, 2023 (₹ in Million)	As at 30th September, 2022 (₹ in Million)
Investment in Subsidiaries (Equity Shares)	-	48,428.1
Investment in Subsidiaries (Compulsory Convertible Preference Shares)	-	81.7
Investment in Subsidiaries (Compulsory Convertible Debenture)	-	873.6
Investment in Perpetual Securities	-	376.7
Investment in Subsidiaries (Optionally Convertible Debenture)	-	4,900.7
Invnt Gov & Trust Securities-Traded-Quoted	791.9	794.9
Total	<u>791.9</u>	<u>55,455.8</u>



	As at 30th September, 2023 (₹ in Million)	As at 30th September, 2022 (₹ in Million)
8 Loans at Amortised Cost		
(Unsecured, considered good)		
Loans to Subsidiaries and Group Company	15,713.3	35,257.8
Debt instruments carried at amortised cost (Unquoted)	-	81.7
	<u>15,713.3</u>	<u>35,339.5</u>
9 Non-current Financial Assets- Others		
Unbilled Revenue	5,737.3	11,249.8
Security deposits	0.6	10.9
Interest accrued and due receivable Long term	196.4	1,981.2
Derivative instruments designated in hedge accounting relationship	2,792.4	2,013.8
Balance held as margin money for security against borrowings	858.5	800.0
Total	<u>9,585.2</u>	<u>16,055.7</u>
10 Income Tax Assets (Net)		
Advance Income Tax (Net of Provision)	64.1	305.6
Total	<u>64.1</u>	<u>305.6</u>
11 Other Non-current Assets		
Capital advances	14.5	18.7
Group Gratuity Fund (Includes contribution of subsidiaries)	-	6.2
Deferred assets recoverable / adjustable	9,426.9	9,406.6
Total	<u>9,441.4</u>	<u>9,431.5</u>
12 Inventories		
(At lower of Cost and Net Realisable Value)		
Stores & spares	411.3	366.1
Total	<u>411.3</u>	<u>366.1</u>
13 Investments		
Un-Quoted Investments		
Investment for Contingency Reserve		
Investment in Treasury Bill	274.0	102.5
	<u>274.0</u>	<u>102.5</u>
Aggregate book value of unquoted investments	274.0	102.5
Aggregate market value of unquoted investments	274.0	102.5
14 Trade Receivables		
(Unsecured otherwise stated)		
Unsecure, Considered Good	4,764.9	5,885.1
Credit Impaired	-	100.5
	<u>4,764.9</u>	<u>5,985.6</u>
(Less) : Expected Credit Loss	-	(100.5)
	<u>4,764.9</u>	<u>5,885.1</u>

Note:

In case of transmission business, regulator approved tariff is receivable from long-term transmission customers (LTTCS) and Discoms that are highly rated companies or government parties. Counterparty credit risk with respect to these receivables is very minimal.



	As at 30th September, 2023 (₹ in Million)	As at 30th September, 2022 (₹ in Million)
15 Cash and Cash equivalents		
Balances with banks In current accounts	9.1	31.6
Total	9.1	31.6
16 Bank balance other than Cash and Cash equivalents		
Fixed Deposits (with original maturity for more than three months)		
Balances held as Margin Money	0.4	7,395.5
Others	-	63.1
Total	0.4	7,458.6
(Margin Money Against Bank Guarantees and Debt Service Reserve Account)		
17 Current Financial Assets - Loans		
(Unsecured, considered good)		
Loans to Others	-	4,691.7
Loans to Employees	4.8	4.0
Total	4.8	4,695.7
18 Current Financial Assets- Others		
Interest Receivable	21.4	285.4
Unbilled Revenue	8,668.1	1,403.4
Security deposits	15.4	8.6
Derivative instruments designated in hedge accounting relationship	4.3	2,175.0
Other Receivable	2.1	15.2
Total	8,711.3	3,887.7
19 Other Current Assets		
Balances with Government authorities	77.1	137.4
Advance to Suppliers	70.0	48.8
Advance to Employees	2.3	2.0
Prepaid Expenses	150.2	158.8
Total	299.6	347.0
20 Share Capital		
Authorised Share Capital 10,000 (As at 30th September, 2022 - 150,00,00,000) equity shares of ₹ 10 each	0.1	15,000.0
Total	0.1	15,000.0
Issued, Subscribed and Fully paid-up equity shares 10,000 (As at 30th September, 2022 - 1,115,492,683) fully paid up equity shares of ₹ 10 each	0.1	11,154.9
Total	0.1	11,154.9



a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares

	As at 30th September, 2023		As at 30th September, 2022	
	No. Shares	(₹ in Million)	No. Shares	(₹ in Million)
At the beginning of the period	1,11,54,92,683	11,154.9	1,11,54,92,683	11,154.9
Add : On account of restructuring	10,000	0.1	-	-
Add : On account of restructuring	(1,11,54,92,683)	(11,154.9)	-	-
Outstanding at the end of the period	10,000	0.1	1,11,54,92,683	11,154.9

b. Terms/rights attached to equity shares

The Company Adani Transmission Limited has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend if proposed by the Board of Directors is subject to approval of the share holders in the ensuing Annual General Meeting. In the event of liquidation of the Company the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

c. Details of shareholders holding more than 5% shares in the Company

	As at 30th September, 2023		As at 30th September, 2022	
	No. Shares	% holding in the class	No. Shares	% holding in the class
Equity shares of ₹ 10 each fully paid				
Shri Gautam S. Adani / Shri Rajesh S. Adani (on behalf of S. B. Adani Family Trust)	-	0.00%	63,00,34,660	56.48%
Adani Tradeline LLP (Formally known as Parsa Kente Rail Infra LLP)	-	0.00%	9,94,91,719	8.92%
Adani Transmission Step-One Ltd	10,000	100.00%	-	-
Total	10,000	100.00%	72,95,26,379	65.40%

21 Instrument entirely equity in nature

	As at 30th September, 2023	As at 30th September, 2022
0% Compulsory Convertible Debentures classified as Equity	25,000.0	-
25,00,00,000 (As at 30th September 2022 - Nil) Debentures of ₹ 100 each	-	-
Total	25,000.0	-

22 Other Equity

	As at 30th September, 2023 (₹ in Million)	As at 30th September, 2022 (₹ in Million)
a. Retained Earnings (Refer note (i) below)		
Opening Balance	10,448.1	5,934.3
Add: Profit for the period	5,397.9	5,843.0
Add/(Less): Other comprehensive income (Loss) arising from remeasurement of Defined Benefit Plans	(12.3)	(39.8)
(Less): Distribution on Unsecured Perpetual Equity Instrument	-	(1,199.5)
(Less): Transfer to Contingency Reserve	(153.5)	(90.0)
Less : On account of restructuring	13,297.8	-
Closing Balance	28,978.0	10,448.1
b. Effective portion of cash flow Hedge (refer note (ii) below)		
Opening balance	(2,844.3)	(688.1)
Add: Effective portion of cash flow hedge for the period	(585.4)	(2,156.2)
Closing Balance	(3,429.7)	(2,844.3)
c. Restructuring Reserve (refer note (iii) below)		
Opening Balance	(65,744.4)	-
Total (c)	(65,744.4)	-
d. Capital Reserve (refer note (iv) below)		
Opening Balance	114.7	114.7
Less : On account of restructuring	(114.7)	-
Total (d)	-	114.7
e. General Reserve (refer note (v) below)		
Opening Balance	11,869.5	12,019.5
Less : On account of restructuring	(11,869.5)	(150.0)
Closing Balance	-	11,869.5



f. Capital Redemption Reserve (Refer note (vi) below)		
Opening Balance	24,365.3	24,365.3
Add: Transfer from Retained Earning on redemption of Optionally Convertible Redeemable Preference Shares (OCRP)	-	-
Closing Balance	24,365.3	24,365.3
g. Contingency Reserve (Refer note (vii) below)		
Opening Balance	903.4	813.4
Add: Transfer from Retained Earning	153.5	90.0
Closing Balance	1,056.9	903.4
h. Self Insurance Reserve (Refer note (viii) below)		
Opening Balance	336.5	186.5
Less : On account of restructuring	(336.5)	150.0
Closing Balance	-	336.5
i. Securities Premium		
Opening Balance	38,343.2	-
Add : Addition during the period	(38,343.2)	38,343.2
Closing Balance	-	38,343.2
j. Other equity (Refer note (ix) below)		
Opening Balance	72.0	-
Add : Addition during the year	72.0	-
Closing Balance	72.0	-
Total (a+b+c+d+e+f+g+h+i+j)	(14,701.9)	83,536.4

Notes:

i) Retained Earnings : Retained earnings represents the amount of profits or losses of the company earned till date net of appropriation.

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

iii) Restructuring reserve : Company has received investments in equity shares of fellow subsidiaries companies and Inter Corporate Deposits of ATIL and MEGPTCL, USD denominated borrowings of Senior Secured Notes / Bonds (aggregating USD 937.50 million) along with corresponding hedge contracts, identified fixed assets, cash equivalent to restricted reserve and working capital loans from the holding company on account of internal restructuring scheme. Company has discharged the consideration towards acquisition of the said assets and liabilities by way of issuance of Compulsorily Convertible Debentures to the company by the subsidiary. The transaction being a common control transaction, the difference between net liabilities transferred and the value of CCD recorded, being ₹ 65744.4 Million has been recognized in Other Equity of the Company.

iv) Capital Reserve : It has been created on acquisition of subsidiary companies. On account of Internal Restructuring Capital Reserve remains in books of AESL.

v) General Reserve : It has been created pursuant to the demerger of transmission undertaking of Adani Enterprises Limited into the company. On account of Internal Restructuring Capital Reserve remains in books of AESL.

vi) Capital Redemption Reserve : Capital Redemption Reserve of ₹ 24,365.3 Millions (30.09.2021 - ₹ 24,365.3 Million) is created due to transfer on redemption of optionally convertible redeemable preference shares from retained earnings.

vii) Contingency Reserve : As per the provisions of MERC MYT Regulations read with Tariff orders passed by MERC, the group being a Transmission Licensee, makes an appropriation to the Contingency Reserve fund to meet with certain exigencies. Investments in Government Securities have been made against such reserve. In preceding year, Investments in Mutual Funds have been made against such reserve.

viii) Self Insurance Reserve : The Obligor Group has decided that insurance of the transmission lines of subsidiary companies would be through the self-insurance to mitigate the loss of assets hence a reserve has been created in current period. The insurance of subsidiary companies are covered through insurance companies under all risk policy. On account of Internal Restructuring Self Insurance reserve remains in books of AESL.

ix) Other equity : Represents the service rendered by the holding company ("AESL"), by way of providing the Corporate guarantee to the lenders on behalf of the Company ("ATSOL").

23 Non current Financial Liabilities - Borrowings

	Non-current		Current	
	As at 30th September, 2023 (₹ in Million)	As at 30th September, 2022 (₹ in Million)	As at 30th September, 2023 (₹ in Million)	As at 30th September, 2022 (₹ in Million)
Secured				
Bonds				
4.00% USD Bonds	41,164.8	40,215.4	-	-
4.25% USD Bonds	31,103.7	32,974.6	2,463.8	2,330.2
	72,268.5	73,190.0	2,463.8	2,330.2
Current maturities of long-term borrowings	-	-	(2,463.8)	(2,330.2)
Net amount	72,268.5	73,190.0	-	-
Unsecured				
From Related Parties	4,973.0	7,453.4	-	-
Total	77,241.5	80,643.3	-	-



Notes		
Borrowings	Security	Terms of Repayment
Secured 4.00% USD Bonds	- The USD Bonds are secured by way of first ranking pari passu charge in favour of the Security trustee (for the benefit of the Bond/Debenture holders): a. Mortgage of land situated at Sanand. b. Hypothecation of all the assets (movable and immovable) including current assets of the Company. c. Pledge over 100% equity shares of Adani Transmission (India) Limited (ATIL) and Maharashtra Eastern Grid Power Transmission Company Limited (MEGPTCL), both are wholly owned subsidiaries of the company.	- 4.00% 500.0 Million (30th September, 2022 - 500.0 Million) USD Bonds aggregating to 41,522.5 Millions (30th September, 2022 - Rs 40,672.5 Millions) are redeemable by bullet payment in FY 2026.
Secured 4.25% USD Bonds	d. All assets (moveable and immovable) of ATIL & MEGPTCL including its current assets. e. Assignment by way of security over loans given to ATIL & MEGPTCL. All its rights under the inter entity loan arrangement entered or to be entered into between the issuer, ATIL and MEGPTCL (the 'inter entity loans') f. Corporate gurantee given by the holding Company.	- 4.25% 407.5 Million (30th September, 2022 - 437.5 Million) USD Bonds aggregating to Rs. 33,840.8 Millions (30th September, 2022 - Rs.35,588.4 Millions) are redeemable by Half yearly payment starting from May 2020 to May 2036.
Unsecured Inter Corporate Loan	Unsecured	- 11% Inter Corporate Loan from related party of Rs. 4973.0 Millions (30th September, 2022 - Rs.7,453.4 Millions)

24 Other Financial Liabilities

	As at 30th September, 2023 (₹ in Million)	As at 30th September, 2022 (₹ in Million)
Derivative instruments designated in hedge accounting relationship	225.6	387.1
Interest accrued but not due on borrowings	193.5	123.6
Total	419.1	510.7

25 Provisions

	Non-Current		Current	
	As at 30th September, 2023 (₹ in Million)	As at 30th September, 2022 (₹ in Million)	As at 30th September, 2023 (₹ in Million)	As at 30th September, 2022 (₹ in Million)
Net employee defined benefit liabilities				
Provision for Employee Benefits	208.3	174.6	43.9	33.6
Provision for Stamp Duty	156.5	156.5	-	-
Total	364.8	331.1	43.9	33.6

26 Deferred tax liabilities (Net)

	As at 30th September, 2023 (₹ in Million)	As at 30th September, 2022 (₹ in Million)
Deferred Tax Liabilities		
Deferred tax liabilities (Net)	9,427.3	9,406.6
Total	9,427.3	9,406.6

27 Current Financial Liabilities - Borrowings

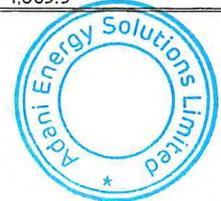
	As at 30th September, 2023 (₹ in Million)	As at 30th September, 2022 (₹ in Million)
Secured Borrowings		
Term Loan from bank	3,200.0	4,400.0
Bank Over Draft	756.8	7,524.3
Cash Credit / Working Capital Loan from Banks	1,952.8	1,748.4
Current maturities of long-term borrowings (Secured) (Refer Note 23)	2,463.8	2,330.2
Total	8,373.4	16,003.0

Notes:

Borrowings	Security	Terms of Repayment
Term Loan	Secured as per Lendor's Agreement	The Secured Term Loan from bank amounting to Rs. 3200 Millions (30th September, 2022 - Rs. 4400 Millions) carries an interest rate of in range of 8.50% to 9.20% p.a.
Bank Over Draft	Secured against the Fixed Deposits.	The Bank Overdraft is carrying an interest rate of 8.00% p.a.
Cash Credit / Working Capital Loan	First charge on receivables and on immovable and movable assets created out of project on paripassu basis.	Cash Credit (CC) of Rs. 1952.8 Millions, the rate of interest for CC from banks is 8.55% to 9.55% p.a.

28 Trade Payables

	As at 30th September, 2023 (₹ in Million)	As at 30th September, 2022 (₹ in Million)
Trade Payables		
- Total outstanding dues of micro enterprises and small enterprises	9.3	1.2
- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,615.7	994.8
Accrual For Employees	38.9	12.7
Total	1,663.9	1,008.7



29 Current Financial Liabilities - Others	As at 30th September, 2023 (₹ in Million)	As at 30th September, 2022 (₹ in Million)
Interest accrued but not due on borrowings	787.0	839.7
Retention money	24.9	51.6
Provision for reversal of Unbilled Revenue	1,102.0	1,040.1
Payable on purchase of Property, Plant and Equipment	333.7	234.8
Derivative instruments designated in hedge accounting relationship	6.1	-
Total	2,253.7	2,166.3
30 Other Current Liabilities	As at 30th September, 2023 (₹ in Million)	As at 30th September, 2022 (₹ in Million)
Statutory liabilities	136.2	82.1
Advance from Customers	187.9	359.8
Other Payables	50.0	4.5
Total	374.1	446.4
31 Current tax liabilities	As at 30th September, 2023 (₹ in Million)	As at 30th September, 2022 (₹ in Million)
Current Tax Liabilities (Net)	64.1	-
Total	64.1	-



32 Revenue from Operations - From Transmission Business	For the twelve months ended 30th September, 2023 (₹ in Million)	For the twelve months ended 30th September, 2022 (₹ in Million)
Income from transmission charges		
Income from transmission lines (Refer Note 45)	21,840.4	17,946.2
Total	21,840.4	17,946.2
33 Revenue from Operations - From Trading Business	For the twelve months ended 30th September, 2023 (₹ in Million)	For the twelve months ended 30th September, 2022 (₹ in Million)
Sale of Traded Goods	1,457.9	9,044.2
Total	1,457.9	9,044.2
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, 2023 (₹ in Million)	As at 30th September, 2022 (₹ in Million)
Trade receivables (Refer note 14)	4,764.9	5,885.1
Contract Assets (Refer Note 9 & 18)	14,405.4	12,653.2
Contract Liabilities (Refer Note 29 & 30)	1,289.8	1,399.9
The contract assets primarily relate to the Obligor group's right to consideration for services provided but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the obligor 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, 2023 (₹ in Million)	For the twelve months ended 30th September, 2022 (₹ in Million)
Revenue as per contracted price	21,890.9	17,967.7
Adjustments		
Less: Rebate on prompt payment	50.5	21.5
Revenue from contract with customers	21,840.4	17,946.2
34 Other Income	For the twelve months ended 30th September, 2023 (₹ in Million)	For the twelve months ended 30th September, 2022 (₹ in Million)
Interest Income		
- Bank	61.6	54.0
- Contingency Investment Reserve	60.9	44.9
- Other	797.3	3,763.9
- Income tax waiver	-	33.5
Gain on Sale/Fair Value of Current Investments measured at FVTPL	-	717.5
Foreign Exchange Fluctuation Gain - Borrowings (Net)	-	39.6
Foreign Exchange Fluctuation Gain	0.0	0.1
Sale of Scrap	13.9	16.4
Unclaimed Liabilities / Excess Provision written back	9.7	0.6
Insurance Claim received	6.8	64.3
Miscellaneous Income	0.8	12.5
Total	951.0	4,747.3
35 Purchase of Stock-in- Trade	For the twelve months ended 30th September, 2023 (₹ in Million)	For the twelve months ended 30th September, 2022 (₹ in Million)
Purchase of Stock-in-Trade	1,456.9	9,043.6
Total	1,456.9	9,043.6



36 Employee Benefits Expenses	For the twelve months ended 30th September, 2023 (₹ in Million)	For the twelve months ended 30th September, 2022 (₹ in Million)
Salaries, Wages and Bonus	976.8	800.5
Contribution to Provident and Other Funds	61.3	48.5
Employee Welfare Expenses	49.2	31.6
Total	1,087.3	880.7
37 Finance costs	For the twelve months ended 30th September, 2023 (₹ in Million)	For the twelve months ended 30th September, 2022 (₹ in Million)
Interest Expenses	4,427.5	4,127.0
Bank Charges & Other Borrowing Costs	24.3	148.0
Interest on Lease Obligation	36.5	39.9
Interest - Hedging Cost	2,812.7	3,279.4
Total	7,301.0	7,594.3
38 Other Expenses	For the twelve months ended 30th September, 2023 (₹ in Million)	For the twelve months ended 30th September, 2022 (₹ in Million)
Operating Cost	465.8	525.7
Electricity Expenses	54.3	54.1
Repairs and Maintenance - Others	1.5	1.5
Short Term Lease Rental	36.2	31.0
Rates and Taxes	3.8	4.1
Legal & Professional Expenses	339.6	392.0
Directors' Sitting Fees	0.1	2.6
Security Charges	4.4	3.2
Communication Expenses	12.5	10.9
Travelling & Conveyance Expenses	80.4	64.7
Insurance Expenses	38.7	32.2
Loss on sale of fixed Assets	2.2	0.2
Corporate Social Responsibility expenses	122.1	139.0
Miscellaneous Expenses	34.7	49.4
Total	1,196.3	1,310.6
39 Income Tax	For the twelve months ended 30th September, 2023 (₹ in Million)	For the twelve months ended 30th September, 2022 (₹ in Million)
Current Tax	2,058.8	1,347.3
Deferred Tax	20.7	(91.1)
Total	2,079.5	1,256.2



40 Contingent liabilities and commitments :

(i) Contingent liabilities :

- a) Waiver application filed for Interest u/s. 234C - Interest on truing up income
 b) Claim raised during the year by the MSETCL towards additional capital cost for the assets constructed in earlier years

		(₹ in Million)	
		As at	As at
		30th September, 2023	30th September, 2022
		1.4	1.4
		313.1	313.1
		<u>314.5</u>	<u>314.5</u>

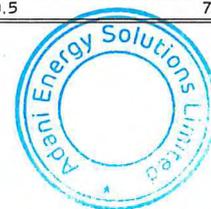
Notes:

- Amounts in respect of employee related claims/disputes, consumer related litigation, regulatory matters is not ascertainable.
- Future cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various forums / authorities.
- The above amounts are recoverable from the customer as part of the truing up exercise.

(ii) Commitments :

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of capital advance):

		(₹ in Million)	
		As at	As at
		30th September, 2023	30th September, 2022
		210.5	72.0
		<u>210.5</u>	<u>72.0</u>



41 Related party disclosures :

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

> Ultimate Controlling Entity	S. B. Adani Family Trust (SBAFT)
> Holding Entity	Adani Energy Solutions Limited
> Subsidiary Companies	<p>Sipat Transmission Limited Raipur – Rajnandgaon – Warora Transmission Limited Chhattisgarh – WR Transmission Limited Adani Transmission (Rajasthan) Limited North Karanpura Transco Limited Maru Transmission Service Company Limited Aravali Transmission Service Company Limited Hadoti Power Transmission Service Limited Barmer Power Transmission Service Limited. Thar Power Transmission Service Limited. Western Transco Power Limited. Western Transmission (Gujarat) Limited. Fatehgarh-Bhadla Transmission Limited. Ghatampur Transmission Limited Adani Electricity Mumbai Limited AEML Infrastructure Limited OBRA-C Badaun Transmission Limited Adani Transmission Bikaner Sikar Private Limited (Formerly known as 'KEC Bikaner Sikar Transmission Private Limited') Bikaner Khetri Transco Limited WRSS XXI(A) Transco Limited Arasan Infra Private Limited Sunrays Infra Space Private Limited Lakadia Banaskantha Transco Limited Jam Khambaliya Transco Limited Power Distribution Service Limited (Formerly known as 'Adani Electricity Mumbai Services Limited') Adani Electricity Mumbai Infra Limited Fharghar Vikhroli Transmission Private Limited Adani Transmission Step-One Limited Alipurduar Transmission Limited AEML Seepz Limited Warora - Kurnool Transmission Limited ATL HVDC Limited MP Power Transmission Package-II LTD (w.e.f 1st November, 2021) MPSEZ Utility Limited ((w.e.f 15th December, 2021) Karur Transmission Limited (w.e.f. 18th January, 2022) Khavda-Bhuj Transmission Limited (w.e.f. 18th January, 2022) Adani Transmission Step-Two Limited (w.e.f. 2nd August, 2022) Adani Electricity Jewar Limited (w.e.f 12th September, 2022) Adani Cooling Solutions Limited (w.e.f. 13th December, 2022) Best Smart Metering Limited (w.e.f. 27th December, 2022) Adani Transmission Step-Three Limited (w.e.f. 12th January, 2023) Adani Transmission Step-Four Limited (w.e.f. 12th January, 2023) Adani Transmission Step-Five Limited (w.e.f. 11th January, 2023) Adani Transmission Step- Six Limited (w.e.f. 13th January, 2023) Adani Transmission Step-Seven Limited (w.e.f. 12th January, 2023) Adani Transmission Step-Eight Limited (w.e.f. 12th January, 2023) NE Smart Metering Limited (w.e.f. 16th January, 2023) WRSR Power Transmission Ltd Khavda II-A Transmission Limited Adani Electricity Aurangabad Limited (w.e.f 15th March, 2023) Adani Electricity Nashik Limited (w.e.f. 16th January, 2023) KPS1 Transmission Limited (w.e.f 16th September, 2023)</p>
> Key Managerial Personnel (KMP)	<p>Mr. Gautam S. Adani, Chairman Mr. Rajesh S. Adani, Director Mr. Anil Sardana, Managing Director Mr. K. Jairaj - Non Executive Director Dr. Ravindra H. Dholakia - Non Executive Director Ms. Meera Shankar - Non Executive Director Ms. Lisa Caroline Maccallum - Non Executive Director Mr. Bimal Dayal, Chief Executive Officer - Transmission Mr. Kandrap Patel, Chief Executive Officer - Distribution Mr. Rohit Soni, Chief Financial Officer Mr. Jaladhi Shukla, Company Secretary</p>
> Entities under Control/Significant influence of ultimate Controlling Entity	<p>Adani Infra (India) Limited Adani Agri Fresh Limited Belvedere Golf and Country Club Private Limited Adani Total Gas Limited Adani Foundation Belvedere Golf and Country Club Private Limited Adani Enterprises Limited Adani Estate Private Limited Adani Infrastructure Management Services Limited Adani Power Pajasthan Limited Adani Township & Real Estate Co. Private Limited Adani Institute for Education and Research Mundra Solar PV Limited Adani Estate Private Limited Kamuthi Solar Power Limited Adani Power (Mundra) Limited Raipur Energen Limited Parampujya Solar Energy Pvt Limited Udupi Power Corporation Limited Adani Power Limited Adani Ports and Special Economic Zone Limited Adani Power Maharashtra Limited Karnavati Aviation Private Limited</p>



Adani Green Energy Limited
 Adani Green Energy (Tamil Nadu) Limited
 Adani Wind Energy Kutchn One Limited (Formerly known as Adani Green Energy (MP) Limited)
 Adani Water Limited
 Adani Wilmar Limited
 Adani Transport Limited
 Adani Power (Jharkhand) Limited
 Adani Renewable Energy Park Rajasthan Limited
 Adani Krishnapatnam Port Ltd
 The Dhamra Port Company Ltd
 Adani Capital Private Limited
 Raigarh Energy Generation Limited (Korba West Power Company Limited)
 Adani Hospitals Mundra Pvt Limited
 Adani Airport Holdings Limited
 Adani Ahmedabad International Airport Limited
 Adani Renewable Energy (RJ) Limited

Note:

The names of the related parties and nature of the relationships where control exists are disclosed irrespective of whether or not there have been transactions between the related parties. For others, the names and the nature of relationships is disclosed only when the transactions are entered into by the obligor with the related parties during the existence of the related party relationship.

(A) Transactions with Related Parties

(₹ in Million)

Particulars	With Subsidiary Companies/ Parent company*		With Entities under Control/Significant influence of ultimate Controlling Entity		With Key Managerial Personnel	
	30th September, 2023	30th September, 2022	30th September, 2023	30th September, 2022	30th September, 2023	30th September, 2022
Sale of Goods / Inventory	661.3	450.9	-	0.3	-	-
Purchase of Goods / Inventory	576.8	257.7	-	49.0	-	-
O&M Agreement and Other Service Charges	-	-	381.1	433.0	-	-
Professional and Consultancy fees	-	-	130.6	168.7	-	-
Receiving of Services	-	0.1	28.0	3.3	-	-
Interest Income (Refer Note: 1)	529.4	3,185.0	-	65.1	-	-
Interest expenses	256.2	314.9	-	-	-	-
Rent Expense	-	-	35.6	25.0	-	-
Recovery of Expenses	4.6	28.6	-	-	-	-
Distribution on Perpetual Equity Instrument (Refer Note: 2)	-	-	-	1,201.3	-	-
Service Income	4.2	0.1	1.2	-	-	-
Reimbursement of the expenses	-	-	-	7.1	-	-
Loan received back (Refer Note: 3)	11,176.3	12,652.1	-	60.0	-	-
Loan Given (Refer Note: 3)	25,115.3	23,882.6	-	385.4	-	-
Unsecured Perpetual Equity Instrument issued (Refer Note: 4)	-	690.0	-	-	-	-
Unsecured Perpetual Equity Instrument repaid (Refer Note: 4)	-	-	-	30,754.5	-	-
Loan taken	16,097.4	33,895.2	-	-	-	-
Loan repaid	10,659.1	29,056.5	-	-	-	-
Investment in Equity Instrument	-	35.3	-	1,162.7	-	-
Investment in Optionally Convertible Debentures	-	97.8	-	-	-	-
Investment in Loan in the nature of Equity (Note 5)	-	186.4	-	-	-	-
Investment in Loan in the nature of Equity received back	-	205.9	-	-	-	-
Remuneration - Short Term Benefit	-	-	-	-	239.70	173.8
Directors Sitting Fees	-	-	-	-	1.80	2.6
Corporate Guarantee	71,780.2	-	-	-	-	-
Corporate Socials Responsibility Expenses	-	-	46.9	-	-	-

*Subsidiaries other than included in obligor group

- All above transactions are in normal course of business and are made on terms equivalent to those that prevail arm's length transactions

Notes:

- Interest on Loan given to Subsidiary Companies and Entity under Common Control
- Accrued and paid on Perpetual Equity infused by Entity under common control.
- Financial support to Subsidiary Companies primarily for Green field Growth Project
- Long term equity support by way of Perpetual instruments from entities under common control
- Long term financial support by way of perpetual equity instruments to subsidiary companies

(B) Balances with Related Parties

(₹ in Million)

Particulars	With Subsidiary Companies/ Parent company*		With Entities under Control/Significant influence of ultimate Controlling Entity		With Key Managerial Personnel	
	As at 30th September, 2023	As at 30th September, 2022	As at 30th September, 2023	As at 30th September, 2022	As at 30th September, 2023	As at 30th September, 2022
Loans Receivable	15,713.3	34,574.4	-	683.4	-	-
Loans Payable	4,973.0	7,453.4	-	-	-	-
Interest Accrued but Not Due	193.5	123.2	-	-	-	-
Interest Receivable	196.4	1,992.7	-	64.5	-	-
Accounts Payable	538.4	118.7	1,260.8	866.9	-	-
Accounts Receivable	15.5	83.9	4.4	6.2	-	-
Investment in Perpetual Equity Instrument	-	376.7	-	-	-	-
Corporate Guarantee	71,780.2	-	-	-	-	-
Instrument Entirely Equity in Nature	25,000.0	-	-	-	-	-

*Subsidiaries other than included in obligor group



42 Fair Value measurement:

The carrying value of financial instruments by categories as on 30th September, 2023 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 Government Securities	-	-	791.9	791.9	791.9
Investments in Treasury Bill	-	-	274.0	274.0	274.0
Trade Receivables	-	-	4,764.9	4,764.9	4,764.9
Cash and Cash Equivalents	-	-	9.1	9.1	9.1
Other Bank balances	-	-	0.4	0.4	0.4
Loans	-	-	15,718.1	15,718.1	15,718.1
Derivatives instruments	(3,429.7)	6,226.4	-	2,796.7	2,796.7
Other Financial Assets	-	-	15,499.8	15,499.8	15,499.8
Total	(3,429.7)	6,226.4	37,058.0	39,854.8	39,854.8
Financial Liabilities					
Borrowings	-	-	85,614.9	85,614.9	68,917.6
Trade Payables	-	-	1,663.9	1,663.9	1,663.9
Derivatives instruments	6.1	225.6	-	231.7	231.7
Other Financial Liabilities	-	-	2,441.1	2,441.1	2,441.1
Total	6.1	225.6	89,719.9	89,951.6	73,254.3

The carrying value of financial instruments by categories as on 30th September, 2022 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 Subsidiaries (Optionally Convertible Debentures and Optionally Convertible Redeemable Preference Shares) other than Obligor Group	-	4,982.5	873.7	5,856.1	5,856.2
Investments in Government Securities	-	-	794.9	794.9	794.9
Investments in Treasury Bill	-	-	102.5	102.5	102.5
Trade Receivables	-	-	5,885.1	5,885.1	5,885.1
Cash and Cash Equivalents	-	-	31.6	31.6	31.6
Other Bank balances	-	-	7,458.6	7,458.6	7,458.6
Loans	-	-	40,035.3	40,035.3	40,035.3
Derivatives instruments	(2,844.3)	7,033.1	-	1,325.5	4,188.8
Other Financial Assets	-	-	15,754.6	15,754.6	15,754.6
Total	(2,844.3)	12,015.5	70,936.4	77,244.3	80,107.7
Financial Liabilities					
Borrowings	-	-	96,646.3	96,646.3	78,994.9
Trade Payables	-	-	1,008.7	1,008.7	1,008.7
Derivatives instruments	-	387.1	-	387.1	387.1
Other Financial Liabilities	-	-	2,289.9	2,289.9	2,289.9
Total	-	387.1	99,944.9	1,00,332.0	82,680.6

Notes:

- Above excludes carrying value of equity nature Investments in subsidiaries accounted at cost in accordance with Ind AS 27.
- The management assessed that the fair value of cash and cash equivalents, other balance with banks, trade receivables, loans, trade payables, other financial assets and liability approximate their carrying amount largely due to the short term maturities of these instruments.
- The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values.
 - The fair value of loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flow using rates currently available for debt on similar terms, credit risk and remaining maturities.
 - Fair value of mutual funds and Government Securities are based on the price quotations near the reporting date.
 - The Obligor Group enters into derivative financial instruments with various counterparties, principally banks and financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying currency. All derivative contracts are fully collateralized, thereby, eliminating both counterparty and the Obligor Group's own non-performance risk.



43 Fair Value hierarchy

(₹ in Million)

Particulars	As at 30th September, 2023		As at 30th September, 2022	
	Level 1	Level 2	Level 1	Level 2
Assets measured at fair value				
Investments in unquoted Mutual Funds measured at FVTPL	-	274.0	-	102.5
Investments in Subsidiaries	-	-	-	5,856.1
Investment in Government Securities	791.9	-	794.9	-
Assets measured at amortised cost				
Loans	-	15,718.1	-	40,035.3
Derivative Instruments designated in hedge accounting relationship				
Derivative Instruments	-	2,796.7	-	4,188.8
Total	791.9	18,788.8	794.9	50,182.7
Liabilities for which fair values are disclosed				
Borrowings (Including Interest Accrued)	61,948.1	6,969.5	64,647.9	14,347.0
Derivative Instruments designated in hedge accounting relationship				
Derivative Instruments	-	231.7	-	-
Total	61,948.1	7,201.1	64,647.9	14,347.0

- The fair value of Investments in Subsidiaries has been determined using Discounted Cash Flow Method.
- The fair value of Loans given is equivalent to amortised cost.
- The fair value of Derivative instruments is derived using valuation techniques which include forward pricing and swap models using present value calculations.
- The Borrowing includes USD bonds which are listed in Singapore Stock Exchange. The fair value of Bonds have been determined based on the prevailing market rate as on the reporting date. The fair value of rest of the borrowings is equivalent to carrying value.
- Fair value of mutual funds are based on the price quotations near the reporting date.
- Fair value of Investment in Government securities are based on the price quotations of the reporting date.



Notes to Obligor Group Special Purpose Combined Financial Statements for the twelve months ended 30th September, 2023

44 Financial Instruments and Risk Overview
a) Capital Management

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

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

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

(₹ in Million)

Particulars	Refer Note	As at 30th September, 2023	As at 30th September, 2022
Total Borrowings	23 & 26	85,614.9	96,646.4
Less: Cash and bank balances	15 & 16	9.5	7,490.2
Less : Current Investments	13	274.0	102.5
Net Debt(A)		85,331.4	89,053.6
Equity Share Capital & Other Equity	20 & 22	(14,701.8)	94,691.3
Unsecured Perpetual Equity Instrument	22	-	-
Total Equity (B)		10,298.2	94,691.3
Total Equity and Net Debt C=(A+B)		95,629.6	1,83,744.8
Gearing Ratio (A)/(C)		0.89	0.48

No changes were made in the objectives, policies or processes for managing capital during the period ended as at 30th September, 2023 and as at 30th September, 2022.

b) Financial Risk Management Objectives

The Obligor Group's principal financial liabilities comprise borrowings, trade and other payables, The main purpose of these financial liabilities is to finance the Obligor Group's operations/projects. The Obligor 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 Obligor 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 Obligor Group's senior management oversees the management of these risks. It manages its exposure to these risks through derivative financial instruments by hedging transactions. It uses derivative instruments such as Principal only Swaps, Interest rate swaps, foreign currency future options and foreign currency forward contract to manage these risks. These derivative instruments reduce the impact of both favourable and unfavourable fluctuations.

The Obligor Group's risk management activities are subject to the management, direction and control of Central Treasury Team of the Obligor Group under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board of Directors of the Obligor Group. The Group's central treasury team ensures appropriate financial risk governance framework for the Obligor Group through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Obligor Group's policies and risk objectives. It is the Obligor 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 Obligor 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 Obligor Group is exposed to Market risk, Credit risk, and Liquidity risk.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk.

1) Interest rate sensitivity

The sensitivity analysis below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates has been 50 basis points higher / lower and all other variables were held constant, the Obligor Group's profit for the period ended 30th September, 2023 would decrease / increase by ₹ 25.76 Million. This is mainly attributable to interest rates on variable rate borrowings.

2) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Obligor Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Obligor Group's operating activities. The Obligor Group manages its foreign currency risk by hedging transactions that are expected to realise in future. Accordingly, as at period end the Obligor group does not have any unhedged outstanding foreign exposure and hence the obligor group is not exposed to any foreign currency risk as at period end.



Notes to Obligor Group Special Purpose Combined Financial Statements for the twelve months ended 30th September, 2023

The obligor has taken various derivatives to hedge its bonds and interest thereon. The outstanding position of derivative instruments are as under:

Nature	Purpose	As at 30th September, 2023		As at 30th September, 2022	
		Foreign Currency (USD in Million)	(₹ in Million)	Foreign Currency (USD in Million)	(₹ in Million)
i) Principal only swaps	Hedging of foreign currency bond principal liability	320.0	26,642.0	718.8	58,466.7
ii) Full Currency Swap	Hedging of foreign currency bond principal & Interest liability	587.5	48,912.0	-	-
iii) Forward covers	Hedging of foreign currency bond Interest liability	12.8	1,066.0	240.9	19,591.7

The details of foreign currency exposures not hedged by derivative instruments are as under :

Nature	As at 30th September, 2023		As at 30th September, 2022	
	Foreign Currency (In Million)	(₹ in Million)	Foreign Currency (In Million)	(₹ in Million)
Creditors	USD 0.03	2.2	USD 0.03	2.4
Creditors	EURO 0.03	2.7	EURO 0.03	2.7

Foreign Currency Risk Sensitivity

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

Particulars	As at 30th September, 2023		As at 30th September, 2022	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Risk Sensitivity				
Rupee / USD - (Increase) / Decrease	(0.0)	0.0	(0.0)	0.0
Rupee / EURO - (Increase) / Decrease	(0.0)	0.0	(0.0)	0.0

Derivative Financial Instrument

The Obligor Group uses derivatives instruments as part of its management of risks relating to exposure to fluctuation in foreign currency exchange rates and interest rates. The Obligor Group does not acquire derivative financial instruments for trading or speculative purposes neither does it enter into complex derivative transactions to manage the above risks. The derivative transactions are normally in the form of forward currency contracts, cross currency swaps, options and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively and are subject to the Obligor Group's guidelines and policies.

The fair values of all derivatives are separately recorded in the balance sheet within current and non current assets and liabilities. Derivative that are designated as hedges are classified as current or non current depending on the maturity of the derivative.

The use of derivative can give rise to credit and market risk. The Obligor Group tries to control credit risk as far as possible by only entering into contracts with stipulated / reputed banks and financial institutions. The use of derivative instrument is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivative is mitigated by changes in the valuation of underlying assets, liabilities or transactions, as derivatives are used only for risk management purpose.

The Obligor Group enters into derivative financial instruments, such as forward currency contracts, cross currency swaps, options, interest rate futures and interest rate swaps for hedging the liabilities incurred/recorded and accounts for them as cash flow hedges and states them at fair value. The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss. Amounts recognised in OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. These hedges have been effective for the period ended September 30, 2023.

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

(₹ in Million)

Derivative Financials Instruments	As at 30th September, 2023		As at 30th September, 2022	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedge				
-Forward	4.3	-	912.1	-
-Principal Only Swaps & FCS	2,792.4	231.7	3,276.7	387.1
Total	2,796.7	231.7	4,188.8	387.1

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a loss to the Obligor Group. The Obligor 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 companies maximum exposure to credit risk. Since the companies is an ISTS licensees, the responsibility for billing and collection on behalf of the Obligor Group lies with the CTU. Based on the fact that the collection by CTU is from Designated ISTS Customers (DICs) which in majority of the cases are state government organisations and further based on an analysis of the past trends of recovery, the management is of the view that the entire receivables are fully recoverable. Accordingly, the Obligor Group does not recognize any impairment loss on its receivables



Liquidity risk

The Obligor 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 Obligor Group's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner and to manage its capital structure. A balance between continuity of funding and flexibility is maintained through the use of various types of borrowings.

The table below analysis derivative and non-derivative financial liabilities of the Obligor Group into relevant maturity Obligor 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)				
As at 30th September, 2023	Less than 1 year	1-5 years	Over 5 Years	Total
Borrowings *#	5,691.4	55,489.3	22,355.7	83,536.4
Trade Payables	1,663.9	-	-	1,663.9
Derivatives Liabilities	231.7	-	-	231.7
Other Financial Liabilities **	2,646.6	-	-	2,646.6

(₹ in Million)				
As at 30th September, 2022	Less than 1 year	1-5 years	Over 5 Years	Total
Borrowings *#	8,553.8	75,445.8	24,907.8	1,08,907.4
Trade Payables	1,008.7	-	-	1,008.7
Derivatives Liabilities	387.1	-	-	387.1
Other Financial Liabilities **	2,150.2	-	-	2,150.2

* Includes Non-current borrowings, current borrowings, committed interest payments on borrowings.

** Includes both Non-current and current financial liabilities..

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

- 45 (i) Pursuant to an agreement between the Company, Adani Energy Solutions Limited ('AESL' - Holding company), Adani Transmission (India) Limited ('ATIL'), Adani Transmission Step-One Limited & Maharashtra Eastern Grid Power Transmission company Limited ('MEGPTCL'), AESL has transferred/novated, as the case may be, its investments in equity shares (at fair value) of, and Inter Corporate Deposits placed with ATIL and MEGPTCL, USD denominated borrowings of Senior Secured Notes / Bonds (aggregating USD 937.50 million outstanding as on transferred date) along with corresponding hedge contracts, identified fixed assets, cash equivalent to restricted reserve and working capital loans to the company after obtaining requisite approvals. The company has discharged the consideration towards acquisition of the said assets and liabilities by way of issuance of Compulsorily Convertible Debentures to AESL. The transaction being a common control transaction has been accounted at book value, the difference between net liabilities transferred and the value of CCD recorded, being ₹ 65744.4 Million has been recognized in Other Equity of the Company.

Assets received :

Particulars	Amount (₹ in Mn.)
Fixed assets (Land)	0.4
Investment in equity share of ATIL & MEGPTCL (having fair value)	12,466.0
Loans & Advance (current & non current)	17,516.5
Cash Equivalent to Restricted Reserve	800.0
Derivative instruments designated in hedge accounting	2,931.2
Pre-Paid expenditure (consent Fees)	170.7
Total A :	33,884.8

Liabilities received :

Particulars	Amount (₹ in Mn.)
Senior Secured USD Bonds (including unamortised cost)	73,910.0
Hedge Reserve	(2,001.2)
Working Capital	2,200.0
Interest Accrued but Not Due on bonds	520.4
Total B :	74,629.2

Net liabilities received (A-B)	40,744.4
Consideration given in form issuance of CCD	25,000.0
Restructuring reserve	65,744.4

- (ii) During the period Company ("AESL") has provided corporate guarantee to the lenders on behalf of the Company ("ATSOL") for ₹ 71,780.18 Millions.



46 Segment information:-Operating Segments

The reportable segments of the Obligor Group are trading activity and providing transmission line service. The segment are largely organised and managed separately according to the organisation structure that is designed based on the nature of service. Operating segments reported in a manner consistent with the internal reporting provided to the Chairman and Managing Director jointly regarded as the Chief Operating Decision Maker ("CODM"). Description of each of the reportable segments for all periods presented, is as under:-

i) Transmission

ii) Trading

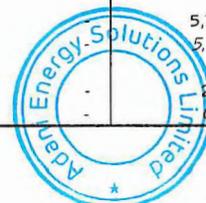
The CODM evaluates the Obligor group's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CODM reviews revenue and gross profit at the performance indicator for all of the operating segments.

The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the financial statements. Segment profit represents the profit before interest and tax.

Information regarding the Obligor Group's reportable segments is presented below:

	(₹ in Million)		
	Transmission	Trading	Total
1. Revenue			
External Sales	21,840.4	1,457.9	23,298.3
	<i>17,946.2</i>	<i>9,044.2</i>	<i>26,990.4</i>
Total Revenue	21,840.4	1,457.9	23,298.3
	<i>17,946.2</i>	<i>9,044.2</i>	<i>26,990.4</i>
2. Results	13,805.7	1.0	13,806.7
Segment Results	<i>10,036.7</i>	0.6	<i>10,037.2</i>
Unallocated			951.0
			<i>4,747.3</i>
Operating Profit			14,757.7
			<i>14,784.5</i>
Less: Finance Expense			7,301.0
			<i>7,594.3</i>
Profit Before Tax and Deferred Assets Recoverable/Adjustable			7,456.7
			<i>7,190.2</i>
Current Taxes			2,058.8
			<i>1,347.3</i>
Deferred Tax			20.7
			<i>-91.1</i>
Total Tax			2,079.5
			<i>1,256.3</i>
Profit after tax and before deferred assets recoverable/adjustable			5,377.2
			<i>5,934.0</i>
Deferred Assets (Recoverable)/Adjustable			20.7
			<i>(91.1)</i>
Less: Minority Interest			-
Net profit			5,397.9
			<i>5,843.0</i>
3. Other Information			
Segment Assets	1,07,101.6	-	1,07,101.6
	<i>1,94,509.3</i>		<i>1,94,509.3</i>
Unallocated	3,422.4	-	3,422.4
	<i>10,731.8</i>		<i>10,731.8</i>
Total Assets	1,10,524.0	-	1,10,524.0
	<i>2,05,241.1</i>		<i>2,05,241.1</i>
Segment Liabilities	11,360.2	-	11,360.2
	<i>10,733.4</i>		<i>10,733.4</i>
Unallocated Corporate Liabilities	88,865.7	-	88,865.7
	<i>99,816.2</i>		<i>99,816.2</i>
Total liabilities	1,00,225.8	-	1,00,225.8
	<i>1,10,549.7</i>		<i>1,10,549.7</i>
Depreciation	5,751.1	-	5,751.1
	<i>5,718.2</i>		<i>5,718.2</i>
Capital Expenditure	235.3	-	235.3
	<i>661.0</i>		<i>661.0</i>

Previous figures are given in italics



Notes to Obligor Group Special Purpose Combined Financial Statements for the twelve months ended 30th September, 2023

Note 1: The business operations of the Obligor Group are entirely based in India accordingly the entity has no separate geographical to disclose.

Note 2: Revenue from power distribution companies for allocation of Transmission capacity with which Obligor Group has entered into Transmission Service Agreement accounts for more than 10% of Total Revenue.

47 Other Disclosures

(i) The obligor Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of consolidated financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the consolidated financial statements. As of 20th November, 2023, there are no subsequent events to be recognized or reported that are not already disclosed.

(ii) The Special Purpose Combined Financial Statements for the year ended 30th September, 2022 have been approved by the Management Committee of Adani Energy Solutions Limited (the holding entity) on 20th November, 2023.

For Dharmesh Parikh & Co. LLP
Chartered Accountants

Firm Registration Number : 112054W/W100725

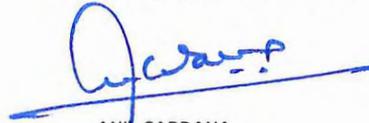


CHIRAG SHAH
Partner
Membership No. 122510



Place : Ahmedabad
Date : 20th November, 2023

For ADANI ENERGY SOLUTIONS LIMITED



ANIL SARDANA
Managing Director
DIN 00006867



ROHIT SONI
Chief Financial Officer



JALADHI SHUKLA
Company secretary

Place : Ahmedabad
Date : 20th November, 2023