

# Making an Impact through Value Leadership

Value Creation Report 2017-18



About the Report

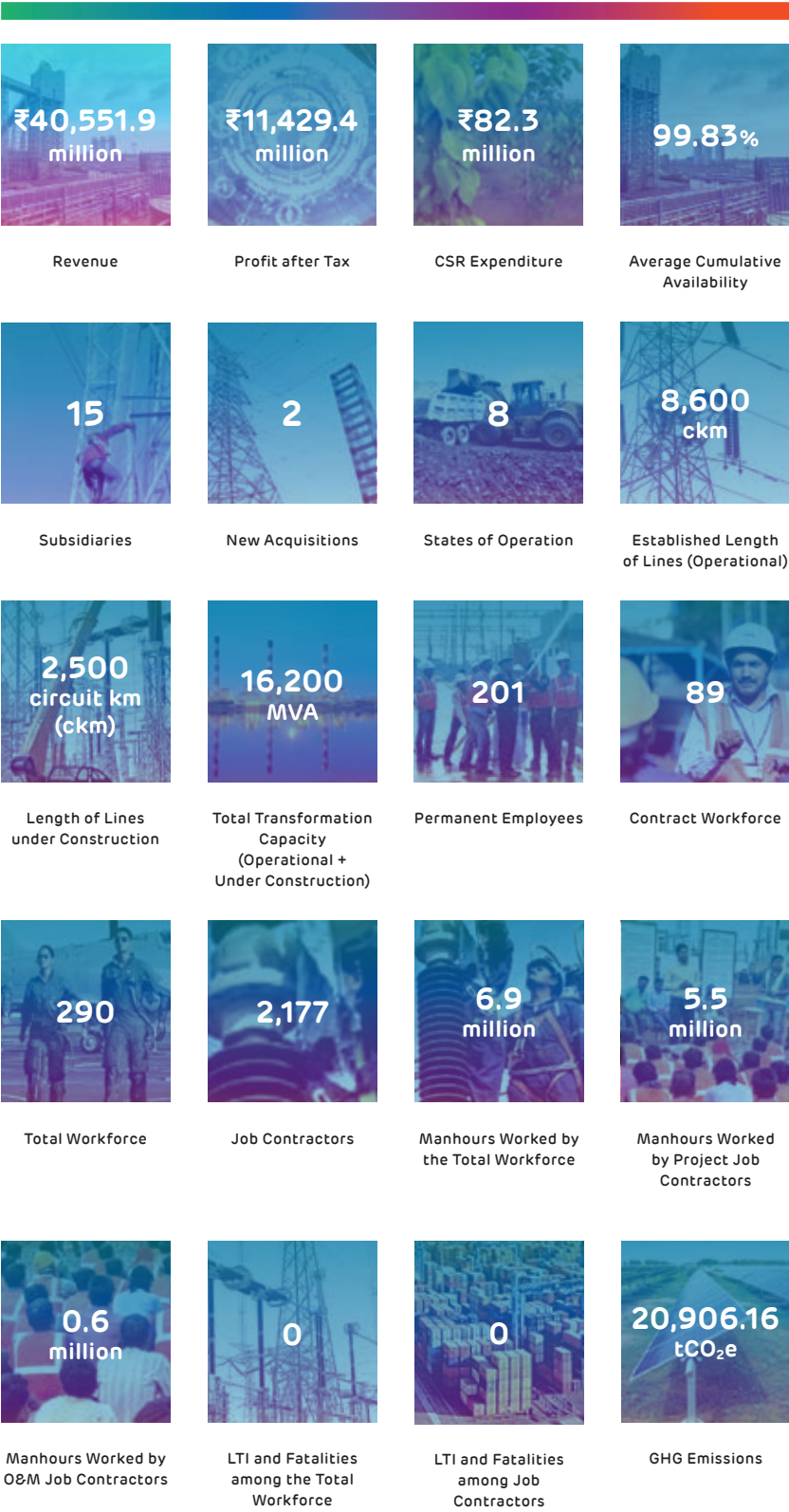
This report presents the value creation story of Adani Transmission Limited (ATL) on material issues spanning six capitals – Financial, Manufactured, Natural, Human, Intellectual, and Social and Relationship capitals – as per the Integrated Reporting <IR> framework. GRI Standards have been used to measure social and environmental performance across six capitals. The content of the report has been guided by the reporting principles for <IR>. Disclosures in this report have also been mapped with International Finance Corporation (IFC) Performance Standards and Sustainable Development Goals (SDGs). This report also articulates our disclosures on the CSR initiatives focused on Education, Community Health, Sustainable Livelihood and Rural Infrastructure Development under Social and Relationship Capital.

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Highlights of Adani Transmission Limited (ATL)

FY 2017-18



Adani Group

Founded in 1988, Adani Group is a global integrated infrastructure player with businesses in key industry verticals comprising energy, resources, logistics and agro, among others.

The integrated model of the business is well attuned to the infrastructure challenges of emerging economies. ATL is part of the energy business vertical.



Our Businesses

Ports & SEZ	Power	Transmission	Renewables
Coal Mining & Trading	Agri Logistics	Edible Oil	Gas Distribution
Real Estate	NBFC	Defence	

Adani Group is one of India's largest integrated infrastructure conglomerates with interests in Resources (coal mining and trading), Logistics (ports, logistics, shipping and rail), Energy (renewable and thermal power generation, transmission and distribution), Agro (commodities, edible oil, food products, cold storage and grain silos), Real Estate, Public Transport Infrastructure, Consumer Finance and Defence.

Adani owes its success and leadership position to its core philosophy of 'Nation Building' and 'Growth with Goodness' – a guiding principle for sustainable growth. The Group is committed to protecting the environment and empowering communities through its Corporate Social Responsibility (CSR) programme based on the principles of sustainability, diversity and shared values.



## Our Business

# Connecting and Energising the Nation Grid By Grid



Adani Transmission Limited (ATL), headquartered in Ahmedabad, Gujarat, was carved out of Adani Enterprises Limited (AEL) in May 2015 with an aim to conduct business in India and overseas. ATL is in the business of construction and Operations and Maintenance (O&M) of power transmission systems.

We are also involved in the realm of agro-trading and investments. Our business model is centred around the transmission of power from Group companies through Intra-state Transmission Systems (ISTS) on a cost-plus basis regulated by the central regulator. It is also based on the acquisition of Special Purpose Vehicles (SPVs) formed by the Bid Process Coordinator (BPC) for new projects, which are won through tariff-based competitive bidding, as its 100% subsidiaries to become licensees to execute and maintain the transmission systems. As on 31<sup>st</sup> March 2018, we have 15 subsidiaries.

For further details of our business, refer to Page 40 of our Annual Report 2017-18

We are growing organically and inorganically to sustain our position as India's largest power transmission company in the private sector with a presence across the western, central and northern regions. As part of our agenda for business growth in India, we focus on the

execution of new transmission systems across the nation under licensing from the Central and State Electricity Bodies, and O&M of existing assets through outsourced partners. We also endeavour to expand our business by exploring opportunities outside India.

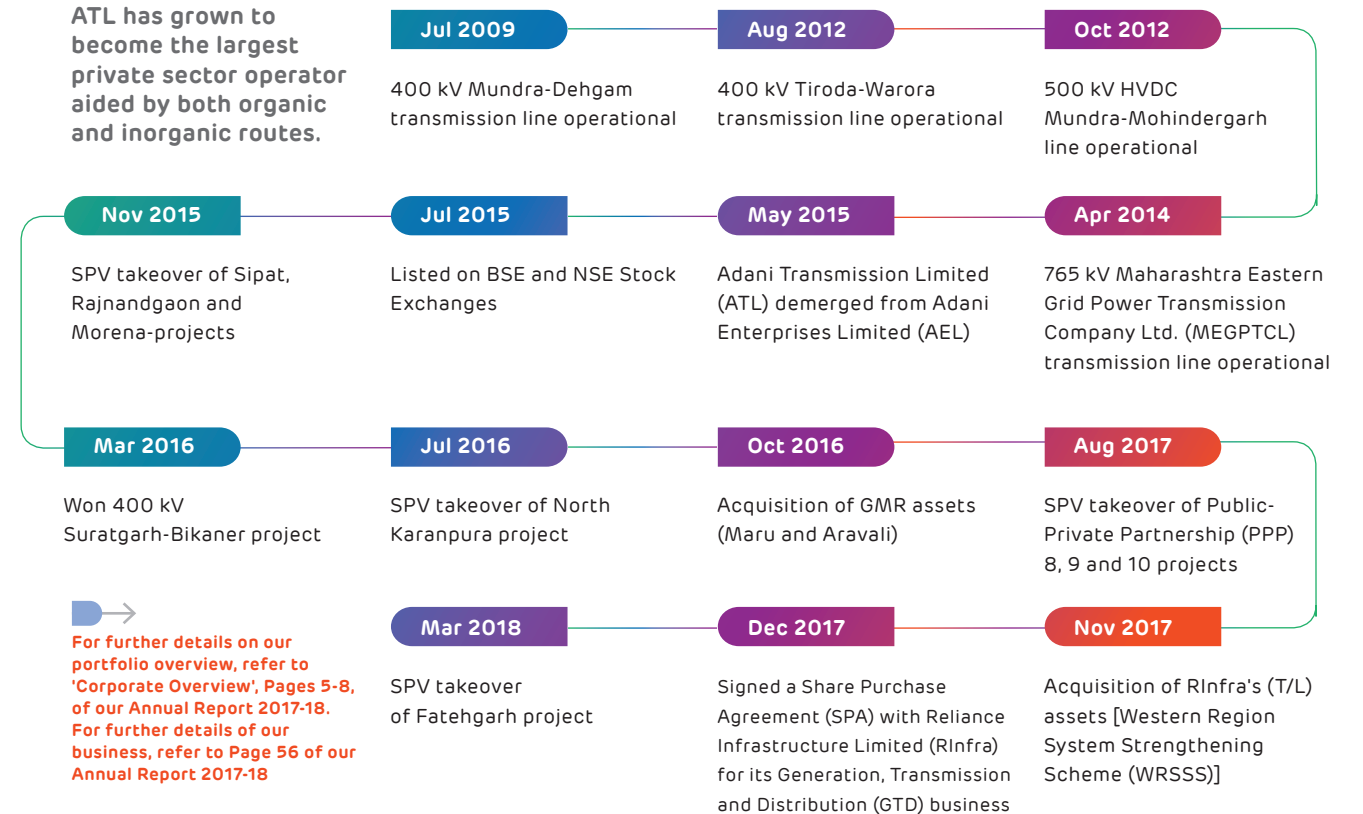
We are equipped to tap the vast potential for power evacuation in India's power sector; and our ambitious target is to set up 20,000 circuit km of transmission lines by 2022 by leveraging organic and inorganic growth opportunities. At present, we have around 8,600 ckm of operational lines and 14,000 MVA of transformation capacity. Our targeted capacity by 31<sup>st</sup> March 2019 is to achieve around 11,000 ckm of operational lines and 18,300 MVA of transformation capacity.

Aligned with our business focus, we have developed the expertise of our teams to create modern transmission technology-based assets for India, backed by efficient O&M support.

During the year, to improve operational efficiency, we outsourced our O&M activities with effect from 1<sup>st</sup> August 2017 to Adani Infrastructure Management Services Limited (AIMSL).

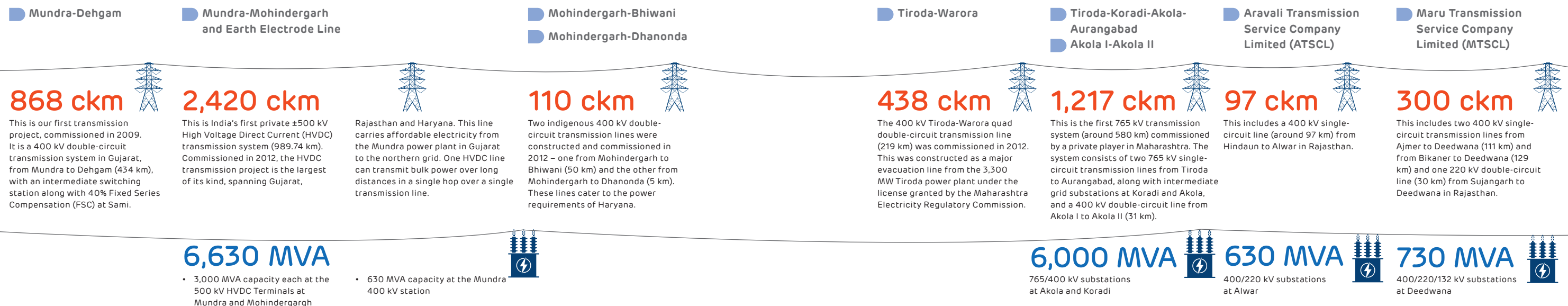
We are equipped to tap the vast potential for power evacuation in India's power sector; and our ambitious target is to set up 20,000 circuit km of transmission lines by 2022 by leveraging organic and inorganic growth opportunities.

ATL has grown to become the largest private sector operator aided by both organic and inorganic routes.



For further details on our portfolio overview, refer to 'Corporate Overview', Pages 5-8, of our Annual Report 2017-18. For further details of our business, refer to Page 56 of our Annual Report 2017-18

## Our Distinguished Asset Portfolio Operational Transmission Systems



# Our Strategic Roadmap



## Our Approach to Accomplish Our Objective

To meet India's energy transmission demand, an investment of around ₹2 lakhs crores is estimated at the central level and an investment of around ₹1.5 lakhs crores is estimated at the state level. These investments provide an ecosystem for organic growth in the sector and for ATL. We are also planning to grow

inorganically by acquiring operating and under-construction assets. Our overarching objective is to continue to play a key role in India's power transmission sector and we are optimistic of achieving our growth target of 20,000 ckm by 2022.

Refer to Pages 12 and 13 for the MD and CEO's Message in our Annual Report 2017-18

## Operational Assets Acquired during FY 2017-18

Western Transmission Gujarat Limited (WTGL)

974 ckm



This includes three 400 kV double-circuit transmission lines from Vadavi-Kansari (141 km), Limbdi-Vadavi (103 km) and Rajgarh-Karamsad (243 km) in Gujarat and Madhya Pradesh.

Western Transco Power Limited (WTPL)

2,089 ckm



This includes six 400 kV double-circuit transmission lines (with some portion of multi-circuit transmission lines) from Pune-Aurangabad (261 km), Pune-Parli (311 km), Loop-In-Loop-Out (LILO) of Sholapur-Karad (115 km), Parli-Sholapur (136 km), Sholapur-Kolhapur (220 km) and LILO of Lonikhand-Kalwa (2 km) in Maharashtra.

## New Elements Commissioned FY 2017-18

Chhattisgarh WR Transmission Limited

55 ckm



Of the six elements, one element, namely the 400 kV double-circuit Vindhyachal IV and V (STPP) to Vindhyachal Pool (PG) (27-km), along with associated bays, was scheduled to be commissioned in January 2019. However, due to our persistent efforts, this element has been commissioned and made operational 10 months early, on 30<sup>th</sup> March 2018.

## MD and CEO's Perspective

# Committed to Serve the Nation and Create Value Sustainably



Dear Stakeholders,

We have been publishing our financial performance through our Annual Report and the non-financial performance through our Sustainability Report since FY 2015-16. This year, we focused on how to present our value creation story through this 'Value Creation Report' to providers of financial capital and other key stakeholders. This report is an attempt to reflect our 'integrated thinking' on the enhancement of all six capitals — Financial, Manufactured, Human, Social and Relationship, Intellectual and Natural.

The Indian transmission sector has been witnessing steady growth over the past few years. During FY 2017-18 too, it added about 23,119 ckm of transmission lines and 86,193 MVA of transformation capacity, which was 100.14% and 159.68% of the annual target, respectively. Similarly, the inter-regional transmission capacity too is projected to increase to 1,18,050 MW by FY 2021-22, which was 63,650 MW in 2016, as per the Central Electricity Authority (CEA) reports. These projections and requirement of evacuation of electricity from the proposed additional generation capacities including the renewable capacities in the country reflects healthy scenario for business in the transmission sector.

India has planned to ramp up the capacity of renewable energy to 175 GW by FY 2021-22. Due to its infirm nature and to provide stability to grid, there is a requirement of dedicated corridors for renewable energy evacuation,

which in turn would lead to the requirement of new transmission lines and evacuation substations.

The power transmission sector in India is well poised for growth with the opening up of this sector for private participation by way of integration of tariff-based competitive bidding, delinking of transmission planning from generation planning and an overall enabling policy landscape.

Capitalising on the current opportunity duly aligned with our vision for contributing towards nation building, ATL has ensured an industry-leading performance by achieving more than 99.83% asset availability in the reporting year. As our transmission network grows, it will be our continuous endeavour to maintain our network availability performance and thereby serve our customers better. Best-in-class O&M practices and a quest for excellence helped us ensure a robust financial performance in FY 2017-18. The total revenue was ₹40,551.90 million and our consolidated net profit was ₹11,429.40 million.

We have progressed well on our target of building operational assets of 20,000 ckm by 2022. During the year, we added 3,118 ckm of transmission lines through organic and inorganic growth.

During the reporting period, we successfully won one project on a Build, Own, Operate and Maintain (BOOM) basis amounting to about 220 ckm through a tariff-based competitive bidding route. We continue to be one of the largest private sector transmission companies in India, with 8,600 ckm of transmission lines and 14,000 MVA of transformation capacity in operations and over 2,500 ckm lines along with 2,215 MVA of transformation capacity under construction.

Our people are our assets. Our achievements in the power transmission sector would not have been possible without the extraordinary performance of our Human capital. We continue to work extensively to ensure further development and empowerment of our human resources across various levels of employment. Due to the nature of our business, our workforce is a mix of regular and contract employees. We ensure the wellness and all-round care of all our employees, and also practise equal-opportunity employment ethos.



"Our strategy is translated into action on ground by our teams. Our achievements in the power transmission sector will not be possible without the extraordinary performance of our people. We continue to work extensively to ensure the empowerment of our human resources across various levels of employment."

This report presents some of the key initiatives around strengthening our human resources, including our investment in developing a strong leadership potential across the Company and enhancing people's capabilities through an advanced learning management system. Our concern for the growth and well-being of our employees is also extended to their families through various welfare programmes.

Being cognizant of the nature of our work in projects and O&M, our organisational focus continues to be on health, safety and security. We ensure strict adherence to industry best practices across our operations and strive to improve our occupational health and safety performance to create a safe and secure workplace. We have implemented an Integrated Management System (IMS) across our operations to identify and manage hazards, risks and emergencies related to projects and O&M and are proud to observe no reportable incidents during the year. With a motto of 'Zero Accidents', we focus predominantly on workplace safety. All our employees and contractor workforce are trained on the right safety measures to improve our safety culture and control the number of health and safety incidents across our value chain.

We have adopted a Group policy on Safety Management System (SMS), which includes the best of industry safety practices to strengthen the process of achieving our Vision Zero – 'Shoonya'. All O&M locations are certified SMS Level 1 by Group Safety and certification of implementation up to the highest SMS level, Level 3, has been planned for the short term.

By nature, transmission businesses have minimal environmental impacts when compared with other infrastructure sectors. However, we recognise that transmission lines do have localised impacts on natural resources and local communities, whenever these lines pass through sensitive areas. Being cognizant of our responsibilities, we undertake detailed surveys and exercise due diligence before executing projects. We also initiate actions to conserve natural resources to avoid ecologically sensitive areas, Eco-Sensitive Zones (ESZs), forests, sanctuaries, national parks, biosphere reserves, Coastal Regulation Zones (CRZs), wetlands, farmlands and habitations to the extent possible.

Our approach to risk management in operations is based on precautionary approach and our Integrated Management System way of life ensures that environmental risks are constantly identified and addressed. Further, we engage and participate with national and international technical bodies and forums to identify and explore various options to understand the emerging issues in our sector. We also ensure that all applicable regulatory prescriptions regarding technical aspects of assets are adhered to.

We firmly believe that we are part of the society. Therefore, we continuously attempt to understand the needs and aspirations of the communities around us. Various initiatives in our organisation are aligned with different indicators under the 17 Sustainable Development Goals (SDGs). We work actively with our implementation partner, Adani Foundation, on CSR programmes focused on education, community health, sustainable livelihoods and rural infrastructure development.

We regularly evaluate our sustainability performance and are well placed to achieve our targets in a responsible and sustainable manner. Most of the under-construction projects are expected to be completed ahead of their scheduled commissioning. This excludes the project under SPV North Karanpura Transco Limited (NKTL), which is yet to commence. The project is presently being adjudicated by the Central Electricity Regulatory Commission (CERC) and the CEA for peculiar Right of Way (RoW) issues in coal-bearing areas. Completion of projects before time will result in all-round enhancement in the formation of the six capitals, including additional increase in the financial capital of ATL as per the incentive scheme of the Ministry of Power for early commissioning.

I invite all our valuable stakeholders to read our Value Creation Report and would be humbled to receive your insights and feedback.

**Anil Sardana**  
Managing Director and Chief Executive Officer  
Adani Transmission Limited

## CSO's Insight

This report presents the value creation story of ATL on material issues spanning six capitals.



Dear Stakeholders,

It is my pleasure to introduce this Value Creation Report to providers of financial capital and other key stakeholders. We have been publishing our Annual Sustainability Report since FY 2015-16 using GRI-G4 guidelines to disclose our extra-financial performance.

This year, we are reporting our value creation strategy on material issues spanning six capitals – Financial, Manufactured, Natural, Human, Intellectual, and Social and Relationship – as per the Integrated Reporting <IR> framework and GRI Standards. The content of the report has been guided by the reporting principles, International Finance Corporation (IFC) Performance Standards and SDGs. This report also articulates our disclosures on CSR initiatives focused on education, community health, sustainable livelihood and rural infrastructure development under Social and Relationship Capital.

This report covers our businesses in operations and maintenance, projects, and offices and includes the performance of ATL and all its subsidiaries. As our business also includes agro trading, the relevant financial disclosures are covered in the Annual Report.

Although there were no significant changes in the Company's business during FY 2017-18, we revisited our list of material topics based on the feedback from our stakeholders, the emerging global megatrends and the

sustainability context of our business. In the process, we identified critical topics, which are detailed in the report. All strategic and operational responsibilities including sustainability performance and value creation have been delegated by the Board of Directors (the Board) and continues to be executed by the CEO. For integrity and development of the contents of the report, Sustainability Reporting Team guided by Chief Sustainability Officer has been responsible. Report has been reviewed by Apex Sustainability Committee which is group of functional heads chaired by the CEO. Key indicators of value creation and sustainability performance is monitored and reviewed by CEO and results are deliberated at the Board level on quarterly basis.

We have implemented an IT-enabled platform for mapping and regularly monitoring our legal compliance related to economic, environment and social aspects of the business.

Data relevant to Key Performance Indicators (KPIs) for substation operations is regularly collated and internally reported for review at different levels. Our Enterprise Resource Planning (ERP) mechanism helps capture performance parameters on material procurement and consumption, substation operations, employees and workforce, and waste generation and disposal, among others. On the other hand, material data such as emissions, safety statistics, trainings and grievances, among others, are captured and aggregated at the site level after due validation. Calculations, assumptions and other relevant non-quantitative disclosures required by GRI Standards are also included in this report.

As a policy, we seek external assurance to disclosures in this report before releasing them in public domain. We have retained DNV GL Business Assurance India Private Limited to conduct an independent assurance of this report based on AA1000AS and DNV GL VeriSustain.

We look forward to receive your feedback to help us improve further. You may write to us on [cso.transmission@adani.com](mailto:cso.transmission@adani.com)

**Santosh Kumar Singh**  
Chief Sustainability Officer  
Adani Transmission Limited

Refer to Page 40 of our Annual Report 2017-18

## CFO's Statement

"Global communities are encouraging businesses to adopt more sustainable approaches, keeping in view the environmental, social and community requirements before the financials. Our focus is to embrace a more participatory and transparent approach in our engagement methodology."



At ATL, we are cognizant of our responsibility towards the social and environmental aspects of the business and the community at large. This long-term approach empowers our vision to sustain in the dynamic global market scenario for achieving growth and leadership in the transmission sector.

Over the recent years, the approach by national and international agencies for evaluation of an entity is evolving. There is a major shift in the criteria from financial performance to non-financial performance, with the latter assuming more importance. Global communities are encouraging businesses to adopt more sustainable approaches, keeping in view the environmental, social and community requirements before the financials. Our focus is to embrace a more participatory and transparent approach in our engagement methodology.

We embarked upon our sustainability reporting journey by publishing and making widely available our annual performance on environmental, social and governance aspects. Building the infrastructure for inclusive energy growth will require efforts in every arena of the power sector: be it generation, transmission, distribution or renewable. To accomplish this objective, power transmission acts as a vital link, connecting the load centres with the demand centres, balancing the energy requirements of various regions.

This report attempts to capture how we create, sustain and enhance value and quantifies how much value we deliver this year across Financial, Manufactured,

Intellectual, Human, Natural, and Social and Relationship capitals. FY 2017-18 was an exciting year for us for several reasons. We attained the distinction of achieving cumulative availability levels of over 99.83%. It shows our continued commitment to provide uninterrupted power supply to the society. Our total revenue registered a healthy 39.92% growth from ₹28,978.1 million in FY 2016-17 to ₹40,551.9 million in FY 2017-18 and growth of 42.51% was recorded in EBITDA from ₹19,830.9 million in FY 2016-17 to ₹28,260.1 million in FY 2017-18. We were able to achieve a multi-fold growth pattern in PAT as well, from ₹4164.3 million in FY 2016-17 to ₹11,429.4 million in FY 2017-18. FY 2017-18 includes a one-time income of ₹8,725.3 million towards arrears.

We are constantly seeking opportunities to expand our portfolio, both organically and inorganically. The Mumbai generation, transmission and distribution business of Rlnfra will be integrated with the Company after completion of acquisition formalities. This marks a new beginning in our corporate journey, as we enter the distribution sector. Additionally, we are on track to achieve our vision of 20,000 ckm of transmission lines by 2022 and contribute to the development of India's power transmission sector.

As an outcome of our continuous efforts, we are pleased to inform you that ATL is now the First Indian Private Transmission and Distribution Company to be formally included in MSCI Global Small Cap Indexes with effect from 30<sup>th</sup> November 2018.

For the preceding few years, we have always adhered to highest standards of governance and enhanced our accountability benchmarks. Our financial position has improved over the past few years and is expected to boost further, given the successful implementation of our strategy.

I would like to thank our providers of financial capital, customers, suppliers, employees and the Board for their constant support, faith and trust in us, with the belief that it will continue for the times to come. I would also like to thank our lenders and shareholders for supporting our ventures.

**Kaushal Shah**  
Chief Financial Officer  
Adani Transmission Limited

## Governance & Risk Management and Materiality

Prudent Governance and Risk Management ensure Long-term Value Creation and Preservation



Governance

We believe a robust corporate governance is fundamental to protecting shareholder value and achieving the strategy objective. We have established the highest standards of corporate governance in line with the requirements of SEBI and the Companies Act 2013. This includes strengthening an independent Board to guide our operations, monitor and drive compliances.

The table depicts in a concise manner the executive and non-executive roles played by our Directors in various committees.

For more details, refer to Page 62 of our Annual Report 2017-18

Flow of Various Committees



Composition of Various Committees

Directors	Mr. Gautam S. Adani	Mr. Rajesh S. Adani	Mr. Anil Sardana	Mr. K. Jairaj	Dr. Ravindra H. Dholakia	Ms. Meera Shankar
	Executive   Non-independent			Non-executive   Independent		
Audit Committee		●		○	●	●
Nomination & Remuneration Committee				○	●	●
Stakeholders' Relationship Committee		●	●	○		
Corporate Social Responsibility & Sustainability (CSR&S) Committee		○	●	●		
Risk Management Committee		●	○			
Securities Transfer Committee	○	●	●			

○ Chairman ● Member

As a good corporate governance practice, we have separated the chair of the highest governance body and an executive officer as separate roles. The Chairman is responsible for fostering and promoting the integrity of the Board, while nurturing a culture where the Board works harmoniously for the Company's and its stakeholders' long-term benefit.

The CEO is responsible for corporate strategy, brand equity, planning and all matters related to the management of the Company. He is also responsible for achieving annual and long-term business targets, acquisitions and sustainable development. During the reporting year, there was transitioning of the statutory auditors from M/s Dharmesh Parikh & Co., Chartered Accountants, Ahmedabad to M/s Deloitte Haskins & Sells LLP, Chartered Accountants based on the recommendation of the Audit Committee.

Effective from 2<sup>nd</sup> May 2018, there has been a change in the Board's overall governance structure and it is detailed on Page 63 of our Annual Report 2017-18

The Board's present strength reflects a judicious mix of professionalism, competence and sound knowledge, providing effective leadership to the Company. As part of a continuous learning philosophy at all levels, the Board members enhance their knowledge and expertise on sustainability topics through business forums, newsletters and learning platforms linked to institutions.

Besides, the CSO is responsible for apprising the Board about sustainability performance as well as sensitising the Board members on the current trends related to economic, social and environmental issues.

A process of delegation exists to ensure that the Board can oversee the functioning of various committees and sub-committees reporting to it.

The organisational policies, purpose, values, mission statement, strategies, goals and targets related to sustainable development are developed by senior management committees and are regularly reviewed and approved by the highest governance body. These are developed based on the identified risks and opportunities related to the power sector, external environment, legal and other requirements, management system requirements and stakeholder consultation.

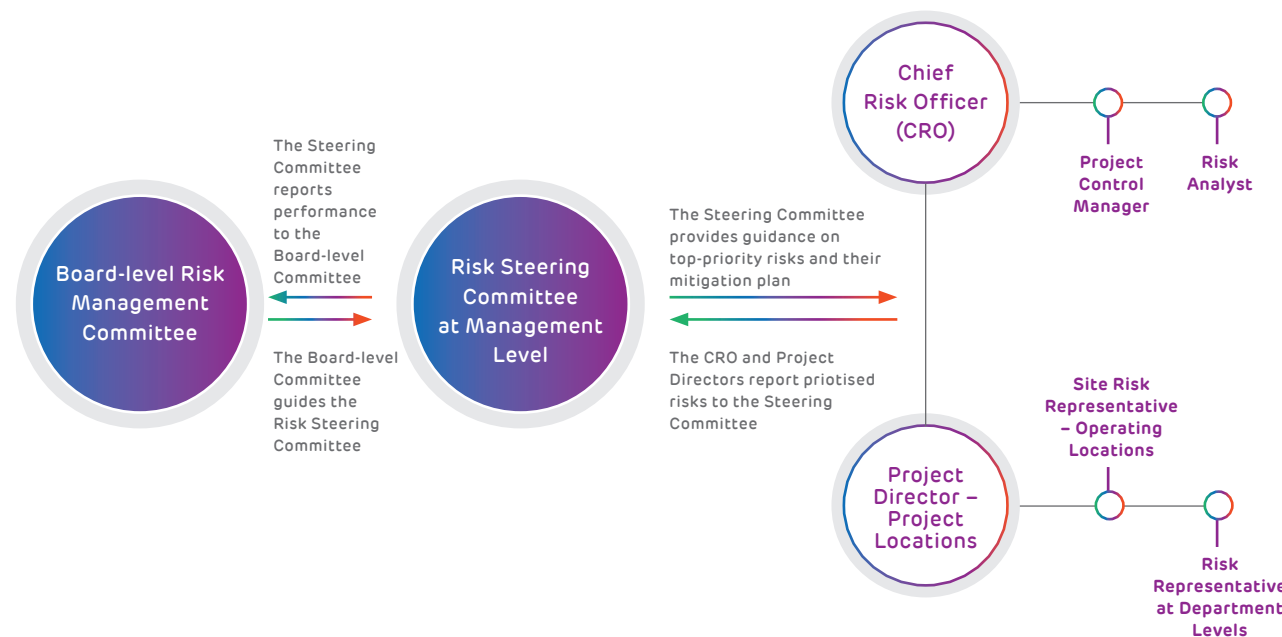
The critical concerns from various stakeholders such as communities, suppliers and vendors, lenders and investors, employees, contract workforce, customers, Government, regulatory authority, media and civil groups are captured in our management systems by the respective heads and teams and deliberated at the top management level. The CEO regularly monitors the critical concerns and updates the Board on issues that may impact the business ecosystem.

## Addressing Risks and Capitalising Opportunities

Non-financial risks are increasingly becoming more visible to various stakeholders such as investors, lenders and regulators. We constantly identify our risks and opportunities to ensure that our business strategy is aligned to the internal and external environment. We have established a risk-management mechanism. Under AGILE and DISHA, which are our business process transformation programmes, we have developed procedures for risk identification and mitigation.

The process of risk identification is collectively performed by a cross-functional taskforce. This includes the risk analyst, project engineering manager, project procurement manager, project control manager, project contract administrator, construction manager, commissioning manager, O&M manager, Health, Safety and Environment (HSE) manager, quality manager and land acquisition manager, with support from the heads of businesses. The identified risks are validated and prioritised to finalise a risk mitigation and control plan, which is monitored regularly. The risks and mitigation strategies are discussed in the top management committees and later presented to the Board.

Figure 1: Risk Management Governance Structure



We are conducting policy advocacy at various regulatory forums such as Ministry of Power (MoP), CEA, CERC and State Electricity Regulatory Commission (SERC) so that a proper level-playing field is available to private players in the transmission sector without any conflict of interest.

We have mitigated the financial impacts to a significant extent by insuring our assets through appropriate policies such as industrial all-risk policy, which is arrived at based on exposures and covers our substations. Assets such as transmission lines are offered limited insurance according to industry-wide practices. In this respect, we are also considering creating an alternative contingency fund.

Heavy rains and floods are some of the major climate-related events that affect our regions of operations. We ensure adequacy through design to withstand normal

impacts of climate change. Insurance premiums against eventualities are accounted under operating costs. In case of any other eventualities, ATL can claim relief under force majeure provisions of Transmission Service Agreements; thus, this will not affect the revenue.

We have an Emergency Restoration System (ERS) in place to mitigate the damages caused by natural calamities such as storms, earthquakes, flooding or wilful destruction of our transmission towers.

This system restores the line back by bypassing permanent transmission towers quickly and safely in any terrain. We procured two ERSs, and we intend to procure one more in due course. During the reporting year, an ERS was deployed once during the floods in Gujarat, which restored our normal services within 11 days against the SLA of 15 days.

## Case Study

### ERS Deployment



In the last week of July 2017, the Banaskantha district of Gujarat witnessed heavy rainfall, resulting in flooding. The region was cut off from the rest of Gujarat and was unapproachable. The situation went from bad to worse as roads, rails and transmission lines were washed away by the gushing water. Both poles of +/- 500 kV Mundra-Mohindergarh HVDC Transmission Line tripped on 24<sup>th</sup> July 2017 at 12:30 noon.

A team was able to reach the location on 26<sup>th</sup> July 2017 evening and identified that a suspension tower (Loc no-941) had collapsed completely. Adjacent towers were not damaged [only earth wire and Optical Ground Wire (OPGW) peak were damaged].

#### Anticipated Causes of Failure / Damages

During the site visit, it was observed that the failure of towers was caused due to heavy water flow / flood in the area. Water flow had naturally created a new water course towards the line route, washing out the soil and causing damage to the tower foundation, which resulted in tower collapse. No technical deficiencies were observed in the collapsed tower.

#### Restoration

The ERS restoration plan was prepared and the survey work started on 27<sup>th</sup> July 2017. Pole-I was successfully restored on 5<sup>th</sup> August 2017 within 11 days and Pole-II was successfully restored on 9<sup>th</sup> August 2017 on the ERS within 15 days.

Considering the new course of water and looking into the safety / reliability of the system, the team decided

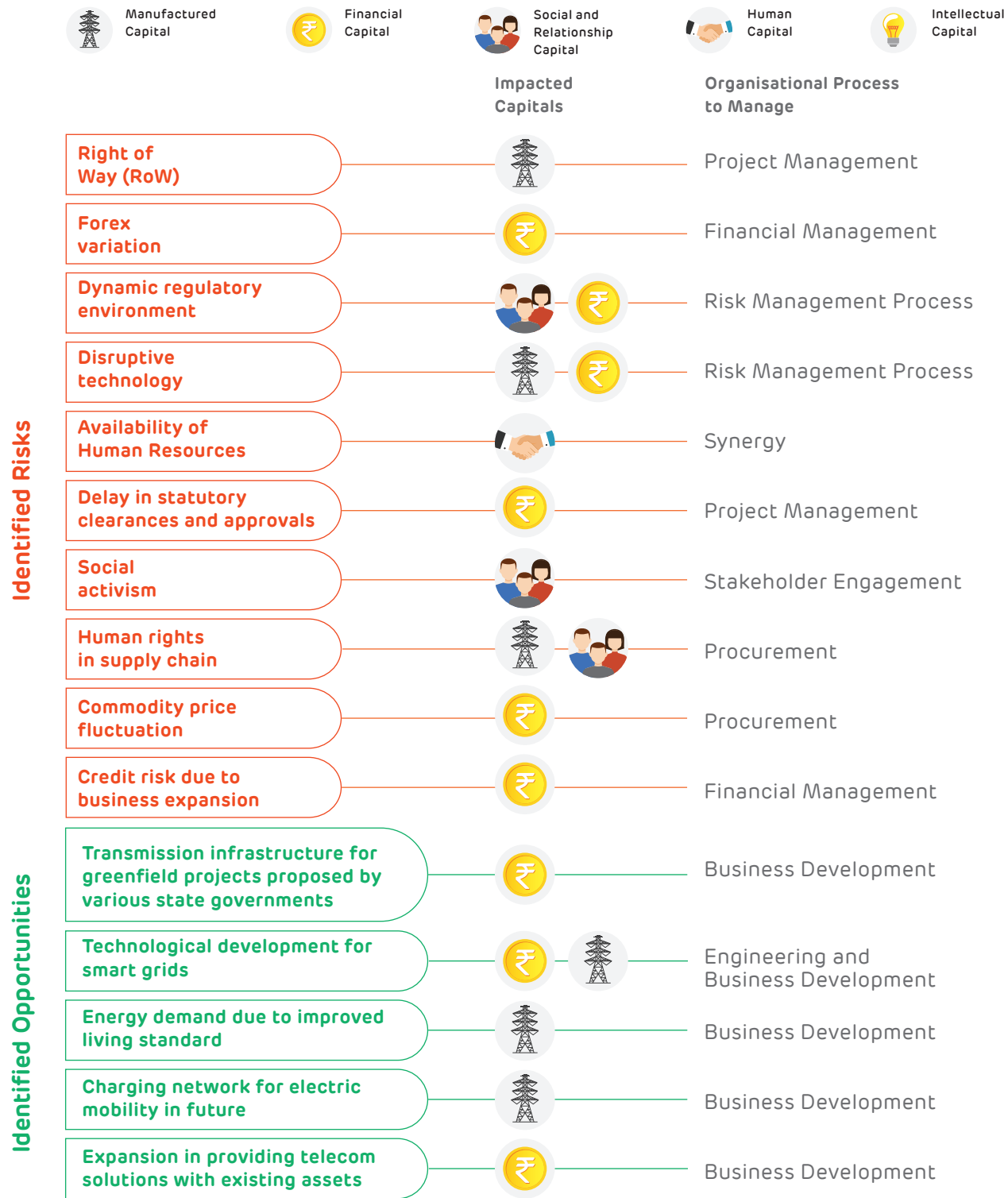
to avoid the foundations for the towers at the same location. Instead, it was decided that there would be two foundations instead of one.

Thus, Pole-1 and Pole-2 were restored with permanent towers on 28<sup>th</sup> August 2017 and 29<sup>th</sup> August 2017 respectively.

We constantly leverage the opportunities and minimise risks by improving project execution proficiency and operational efficiency. We build our business strategies based on the identified risks and opportunities to meet the

needs of diverse stakeholders and to remain competitive. We have identified the following risks, along with the impacted capitals and processes to manage these risks.





One of the major risks that could affect the project execution stage is commodity price fluctuation. Steel, zinc and aluminium ingot are the primary materials used in manufacturing tower parts and Aluminium Conductor Steel Reinforced (ACSR) conductor respectively. We continue tracking the prices of these commodities as they are the main cost drivers of the transmission line project. To mitigate the price fluctuation risk of these commodities, various strategies are adopted based on their volume and risk profile.

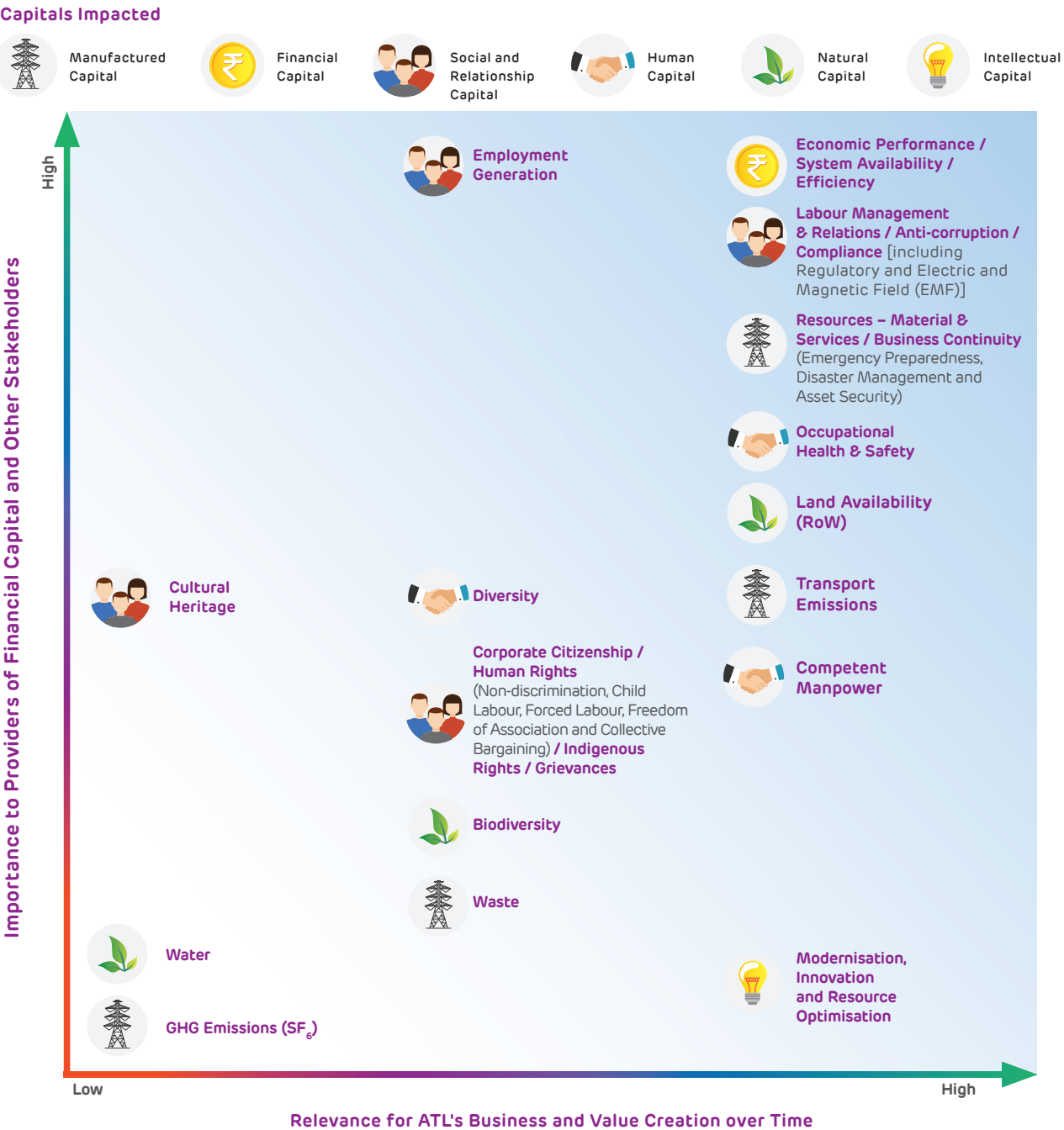
To mitigate the risk of fluctuations in market price of aluminium ingots, we take future position price and establish future contracts. For protecting zinc and steel price, we are entering into long-term and short-term Memorandum of Understanding (MoU) with suppliers in order to mitigate the prices risk. Going forward, to strengthen the above process, a committee will be constituted to derisk and mitigate commodity price fluctuation. This will help us improve our cost efficiency.

Our Material Topics

We reviewed our process of materiality determination considering the following inputs:



The materiality matrix below is based on prioritisation of a larger pool of issues and their impact on ATL and the stakeholders. This has then been finally assessed and approved by our top management, before its incorporation into the report.



## Other Key Governance Mechanisms

### Grievance Management



Grievance management impacts an organisation's activities and relationships with multiple internal and external stakeholders. Therefore, we believe a healthy workplace should have adequate and effective modes of registering grievances freely. We understand that all concerns are not grievances. If there is a recurrent problem with something or someone that is hard to resolve or that can infringe upon the legal rights of someone or can lead to legal violation, it is understood as a grievance.

'MyConcern' is a form-based system introduced for registration of grievances of all regular employees. For our contract workforce, the department or site head at the project and operating sites acts as an interface between the workers and the top management. The HR department also actively interacts with contract workers to ensure that all legal requirements are met. For contract related grievances, we keep the contact of our techno-commercial officials in every contract document.

The grievances of business partners are received by the business development team. Our CSR team acts as an interface between the Company and the community and records and handles any grievance related to the community. Besides, there is a dedicated investor relationship team at the Group level for receiving and redressing investors' grievances, which is disclosed in the Company's Annual Report 2017-18.

According to the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, we have constituted an Internal Complaints Committee (ICC), which is responsible for redressing complaints related to sexual harassment. During the year under review, there were no complaints pertaining to sexual harassment.

Timely resolution of grievances remains our top priority. There is a system to receive and redress grievances at all locations, including escalation to the CEO.

### Ethics and Integrity



We have adopted a Code of Conduct and Ethics (the Code), approved by our Board of Directors. The Code is applicable to all members of the Board and senior management employees and is also adopted by Adani Transmission business for all its employees. The expected behaviour of contract workmen is governed through general terms and conditions of the contract, communicated along with all contract documents and also through instructions on the job.

The objective of the Code is to maintain the standards of business conduct of the Company and ensure compliance with applicable laws. Standards and values that can enhance the image of the Company, set the standards for business transactions and deter wrongdoing in all business-related activities have been laid down in the Code.

The Code expects all members of the Board and the Company's senior management to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct.

For seeking advice or clarifications on ethical and lawful behaviour, employees can consult the HR Head or the Audit Committee Chairman either through emails or directly. External advice is sought on ethical and lawful behaviour and matters related to organisational integrity on a case-to-case basis, when any such situation arises.



## Whistleblower Mechanism



We have set up a Whistleblower Policy for all stakeholders to report genuine concerns. The objective of this mechanism is to provide a framework for responsible and secure whistleblowing and also protect stakeholders raising concerns about any irregularities within the Company. Protected disclosures can be made under this mechanism in relation to matters concerning the Company in one of the following ways:

- By sending an e-mail to [whistleblower@adani.com](mailto:whistleblower@adani.com), with the subject line 'Protected disclosure under the Whistleblower Policy'
- By sending a letter in a sealed envelope, superscribed as 'Protected disclosure under the Whistleblower Policy', to the vigilance and ethics officer

## Anti-corruption Mechanism

Integrity, anti-corruption and work ethics are key constituents of the Group policies. Powered by our vision to be a globally admired leader and to maintain our adherence to high standards of business, including corporate governance and the law of the land, we observe zero tolerance towards corruption.

As part of our operational as well as organisational-level risk identification and management process, all our businesses undergo assessment for risks. This also includes aspects related to corruption, internal audits, statutory audits, formal and informal information to top management by employees, suppliers and other stakeholders. Such a strategy enhances in-system transparency.

There were no reported cases of corruption during FY 2017-18. Suitable actions are initiated in the system whenever any corruption-related cases are identified. During the reporting year, no significant fines or non-monetary sanctions related to non-compliance with applicable financial, environmental and social laws and regulations were imposed on our businesses, including subsidiaries.



For more details, refer to Statutory Statements Section VII 'Penalties' on Page 45 of our Annual Report 2017-18

### Compliance and Internal Controls

As a responsible corporate, we have developed robust internal controls and are committed to comply with applicable laws and regulations, locally and nationally. Initiated as part of our business process transformation exercise, Management Audit & Assurance Services (MAAS) is a centralised function with direct administrative reporting to the Chairman of the Board. The role of MAAS comprises internal audit and control and the team reports to the Board's Audit Committee.

To achieve our compliance objectives, IT-enabled platforms have been implemented for mapping compliance requirements and status, and periodic internal and external audits are conducted at our business locations. The CEO ensures compliance in the



business and the Company Secretary is the Compliance Officer according to the requirements of SEBI's Listing Regulations.

The compliance requirements are delegated to the respective heads of department to ensure each function conforms to applicable requirements. Standard Operating Procedures (SOPs) of internal audits and Delegation of Authority (DOA) for controlling important functions of the Company have been developed. Compliance reports are presented to the Board of Directors by MAAS periodically for review.

As part of the management system implementation, our compliance with EHS and quality standards is audited regularly. Our acquisitions, mergers and significant contracts are subjected to due diligence and assessment of existing and potential risks related to human rights, environment and labour practices are conducted through an independent third party.

During the reporting year, we had two acquisitions, i.e. Western Transco Power Limited (WTPL) and Western Transmission (Gujarat) Limited (WTGL). A due diligence was carried out and presented to the Board members for their consideration. To ensure compliance in our supply chain, we follow a Vendor Relationship Management (VRM) system, which involves collaborative working and

relationship building with vendors to meet business objectives.

Our supplier onboarding process and regular evaluation after onboarding covers environmental and social parameters, which also include human rights issues. During the year, we have taken 30 new suppliers onboard and carried out an onboarding evaluation. Our techno-commercial team incorporates the necessary changes according to the best industry practices in the vendor assessment process as and when required. Vendor assessment is an ongoing process at ATL. As of FY 2017-18, 99% of our vendor base by volume were local i.e. from within India.

A legal compliance review of all operating locations and projects is done in a systematic manner. Our internal legal team consults top legal experts in all significant cases and assesses the risk and merit of each case. The Company's legal head submits the disclosure on legal compliance to the Board-level committee. Environmental due diligence and assessment of risks are also done for the projects that we consider for acquisition. We are of the view that any other legal case filed under other laws of the land in which the Company has been made a respondent and which was sub-judice during the reporting year does not pose any risk to the business.

## Operating Context

We are working in a complex and dynamic external environment, which significantly influences our business. An understanding of the following strategic factors helps strengthen the Company's competitive edge to remain sustainable in the short, medium and long term.



Refer to Page 14 of our Annual Report 2017-18

### Growth opportunities in transmission sector

## 33%

The expected share of investments of the transmission sector in the power sector in FY 2017-21 (in %)

- Compared to 20% in FY 2012-16

### Government reforms

- UDAY Ujwal DISCOM Assurance Yojana (UDAY) was launched by the MoP on 5<sup>th</sup> November 2015 with the aim to improve the financial health of DISCOMs and revive the demand of the power sector

### Stable regulatory framework

- **Ministry of Power (MoP)**  
The MoP is concerned with perspective planning, policy formulation, processing of projects for taking investment decisions, monitoring the implementation of power projects, training and manpower development, and enactment of legislation related to power generation, transmission and distribution
- **Central Electricity Authority of India (CEA)**  
This advisory arm of MoP deals with matters relating to the National Electricity Plan and formulates guidelines for the development of the sector
- **Central Electricity Regulatory Commission (CERC)**  
The CERC regulates tariff and grants licenses
- **State Electricity Regulatory Commission (SERC)**  
The SERC regulates tariff, formulates policies regarding subsidies and grants licenses in respective states
- **Central Transmission Utility (CTU)**  
The CTU ensures the development of an efficient, coordinated and economical system of inter-state transmission lines
- **State Transmission Utility (STU) -**  
The STU ensures development of an efficient, coordinated and economical system of intra-state transmission lines
- **National Load Dispatch Centre (NLDC), Regional Load Dispatch Centre (RLDC) and State Load Dispatch Centre**  
NLDC, RLDC and State Load Dispatch Centre are apex bodies that ensure integrated operations of power system at the national, regional and state levels, respectively
- **Building Block-Multiyear (4 to 5 years) Reset Basis**  
Return on equity set by CERC / SERCs
- **Competitive Bidding-License Period Basis**  
Annual transmission charge for a 35-year period is set through the bidding process
- **Legacy of Maintaining and Defining Tariffs**  
– 18 years of track record of CERC  
– 17 years of track record for SERCs

## 557 GW

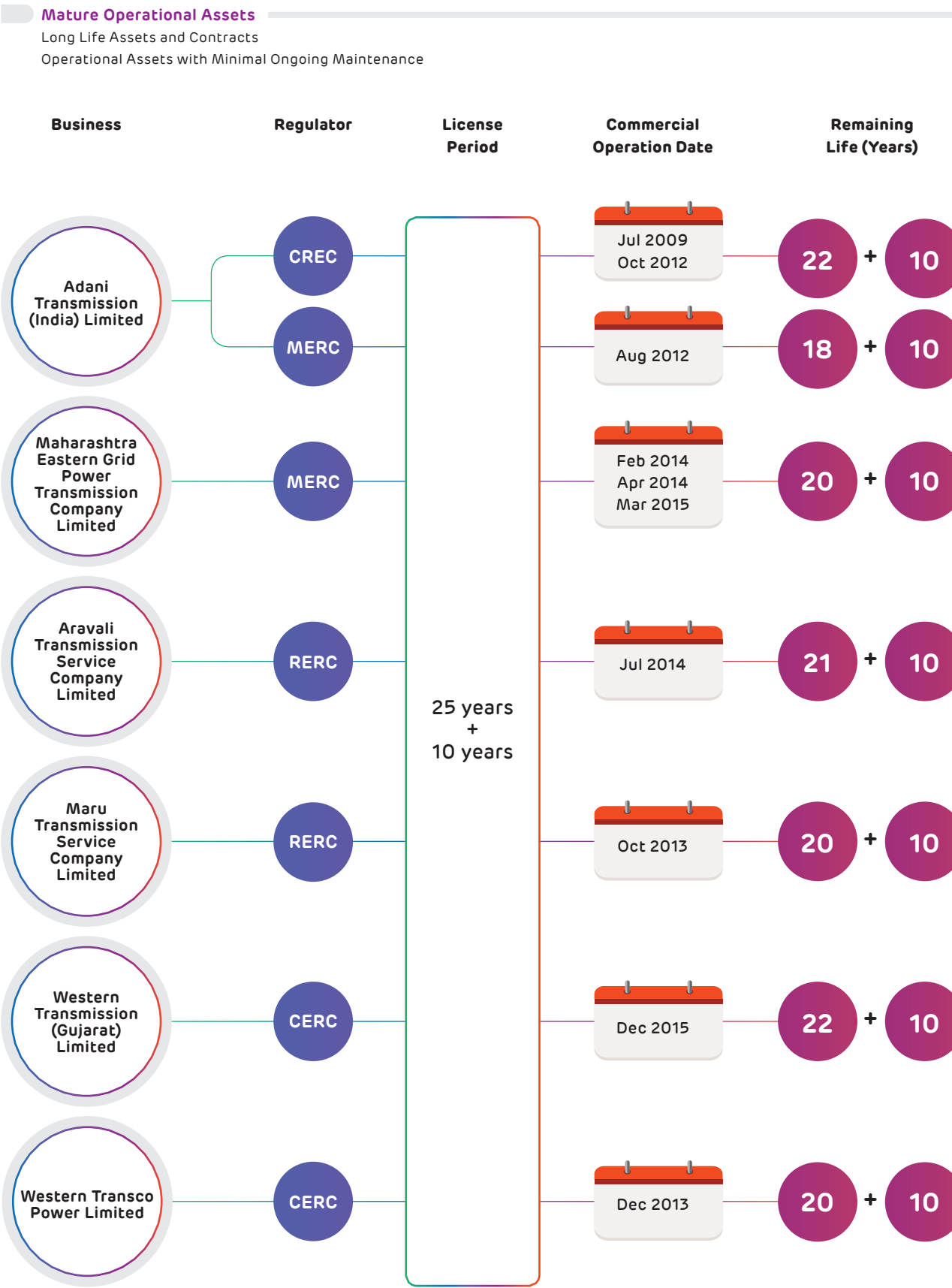
Installed capacity estimated by FY 2021-22 (in GW)

- Lower per capita power consumption and sustained power deficits driving significant capacity additions
- All projects are being awarded through tariff-based competitive bidding, except for projects that are of strategic importance
- Strong payment security mechanism

### Sustainable revenue model



Adani Transmission Edge

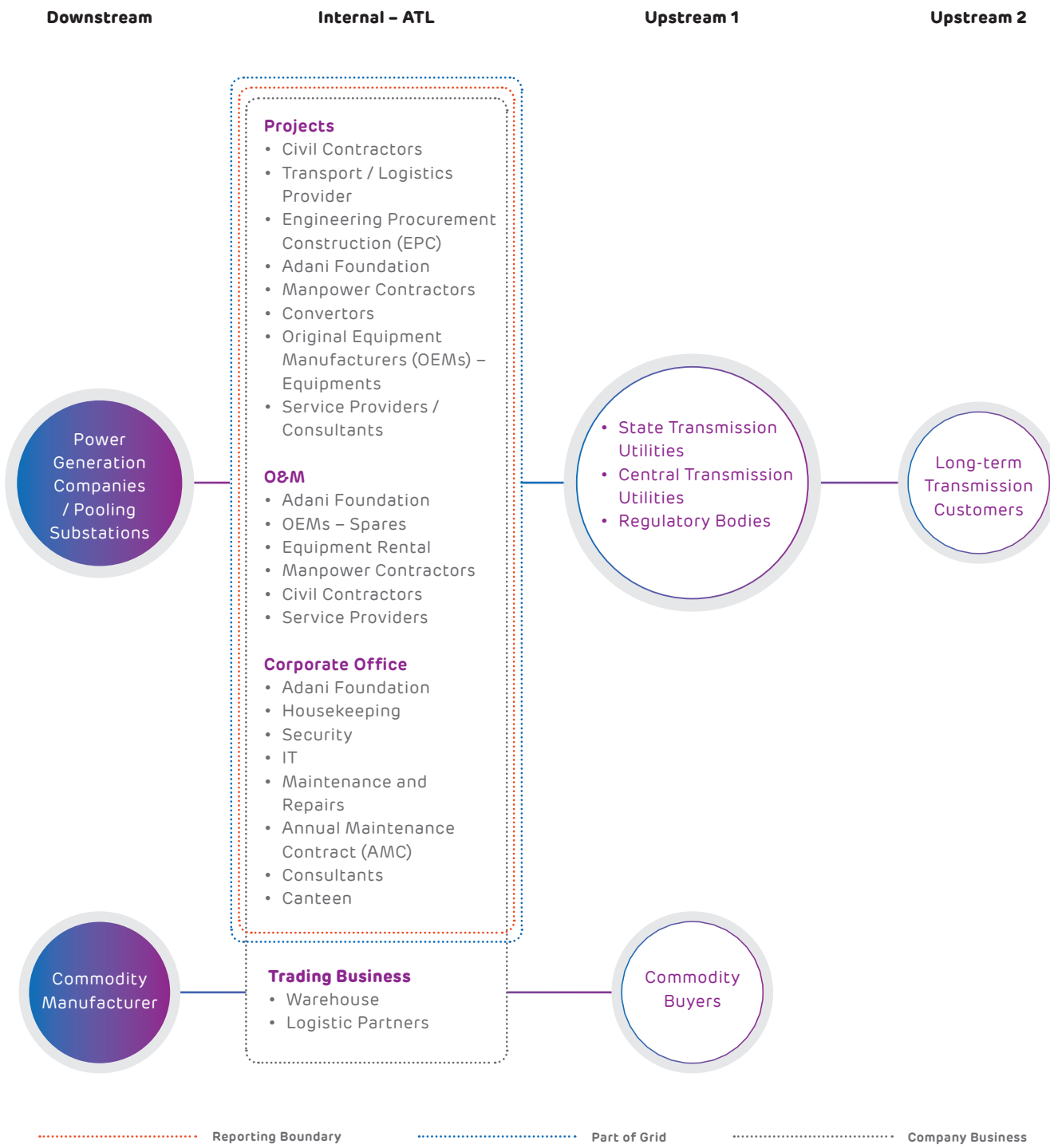


Value Chain Context

We have identified the impact areas related to our value chain activities and linked it back to our business partners. In our trading business, the impact is directly linked to the buying and selling of agro-products such as castor oil, which is transactional in nature. Since our key

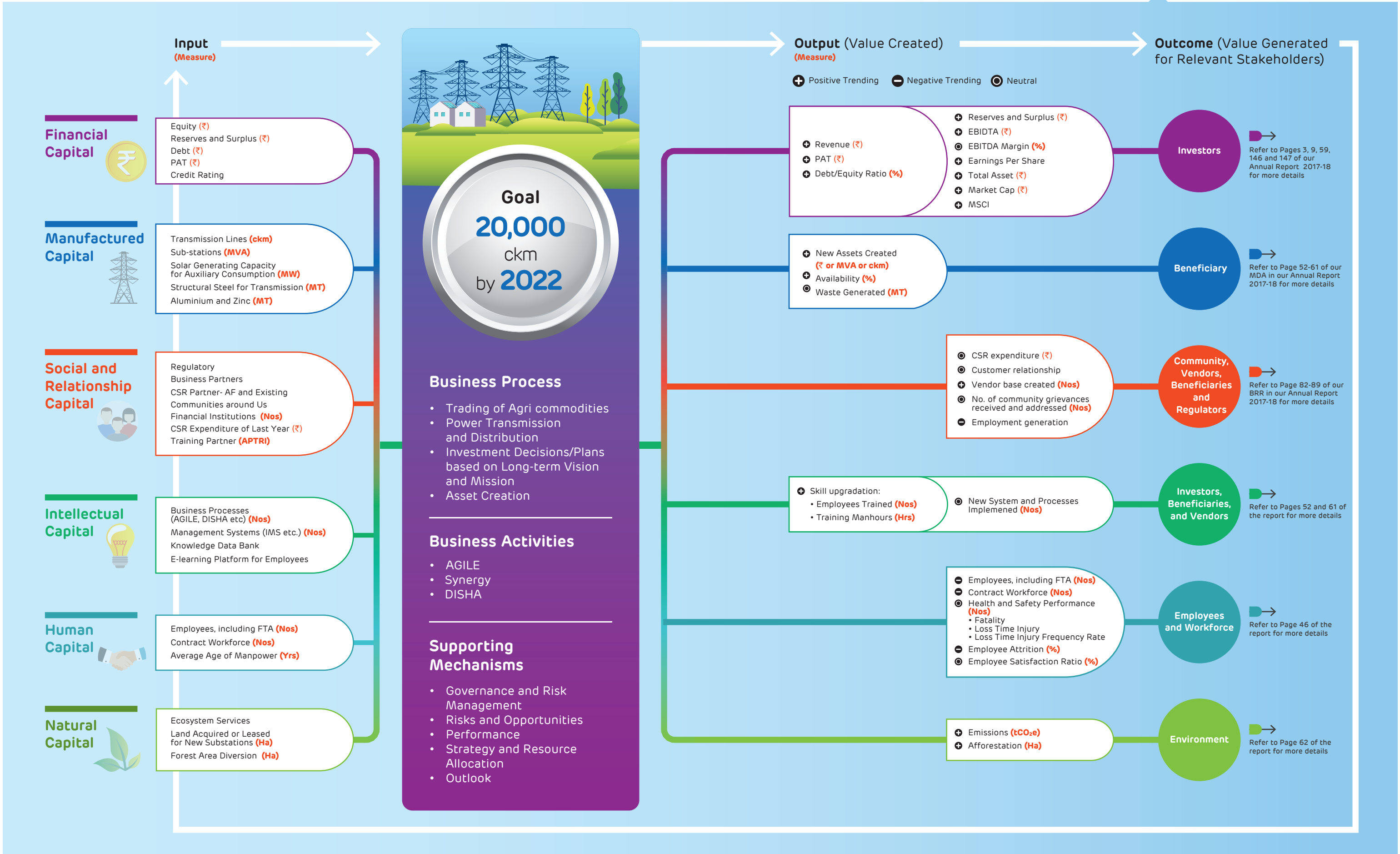
business focus is transmission and distribution, we have focused our disclosures related to material topics on transmission in this report.

Refer to 'Social and Relationship Capital' on Page 38 of this report for more details on our procurement process



Business Model

External Environment





# Our Value Creation Capitals



# Financial Capital

## Enhancing Value through Financial Prudence



India's economic growth is powered by Government initiatives and supported equally by the private sector, which commits significant investments towards nation-building. We consider our growth to be a testament to our commitment to nation-building as we operate several energy assets that help address the country's energy deficit.

Consequently, ATL considers economic sustainability critical to its operations. At ATL, we are focused on appropriate returns to shareholders and lenders through a strategy of growth and expansion, while ensuring sustainability for our business partners such as vendors. Our growth has been and continues to be inclusive of employees and community development to generate direct and indirect economic benefits.

We have set milestones in pursuit of our business objectives and targets and have been playing a strategic role in the Indian energy sector by creating an extensive and dependable transmission network that interconnects generating stations with load centres and distribution networks.

For general outlook on economic performance, refer to the 'Economic Outlook' section in Annexure to the Directors' Report > Management Discussion and Analysis Report in our Annual Report 2017-18

### Financial Performance

	FY 2015-16 ₹ million	FY 2016-17 ₹ million	FY 2017-18 ₹ million
Market Capitalisation	37,779	70,550	2,13,030
Total Revenue	22,673.9	28,978.1	40,551.9
Total Debt	85,849.5	89,748.1	1,04,283.4
Total Equity	26,718.1	29,465.3	60,564.9
Consolidated Net Profit	3,679.4	4,164.3	11,429.4
Cash & Cash Equivalents	1,712.0	4,981.8	6,654.9
Operational EBITDA Margin	95%	94%	94%



Table 1: Economic Performance

	FY 2015-16 ₹ million	FY 2016-17 ₹ million	FY 2017-18 ₹ million
<b>Economic Value Generated</b>	22,673.9	28,978.1	40,551.9
Revenue from Operations (Transmission)	20,484.7	21,201.8	31,287.0
Other Income (Incl. Revenue from Trading)	2,189.2	7,776.3	9,264.9
<b>Economic Value Distributed</b>	13,398	19,121.3	23,328.4
Operating Cost	2,378.7	8,416.5	10,674.4
Employee Wages and Benefits	307.1	459.1	422.5
Payment to Providers of Capital (Interest and Dividend)	9,572.9	9,040.1	8,856.3
Payment to the Government	1,124.4	1,158.3	3,292.9
Community Investment	14.9	47.3	82.3
<b>Economic Value Retained</b>	9,275.9	9,856.8	17,223.5

➔ For more details on our financial performance, refer to Page 141-150 of our Annual Report 2017-18



Credit Rating: AA+ / BBB-

- Best-in-class Domestic Rating
- Investment Grade Rating from all three International Rating Agencies, i.e. Moody's, S&P and Fitch

US Bond Issuance — Rule 144A / Regulation S Offerings

In FY 2016-17, your Company priced rule 144A/Regulation S offering of \$500 million 4.00% Senior Secured Notes due 2026. This was the first USD public market international bond by an Indian investment grade private sector corporate issuer since July 2015. These Notes are rated Baa3 (Moody's), BBB- (S&P) and BBB- (Fitch).



Rupee Denominated Bonds — Masala Bonds

In FY 2016-17, your Company priced Rupee Denominated Bond of ₹5,000 million 9.10% Senior Secured Notes due 2021. This was the first private power sector issuance from an Indian investment grade issuer in international bond markets.

Project Financing and Refinancing

Project finance is the long-term financing of transmission projects based on the projected cashflows and not on the balance sheets of its sponsor. A project financing structure involves equity from its sponsor, ATL and a 'syndicate' of lenders that provides loans to the operation, normally led by one lead lender.

The financing is secured on the basis of an SPV formed for the purpose of project execution. Transmission projects are sanctioned by the lender, based on due diligence of various project documents, including a detailed project report, site due diligence, financial model, contracts with EPC, approvals and licenses and project insurances. The interest cost, payment terms and tenure were renegotiated with the lender. Refinancing is done for operational projects where there is historical cashflow data available and the risk of project execution is mitigated.

Debt and Debt Servicing

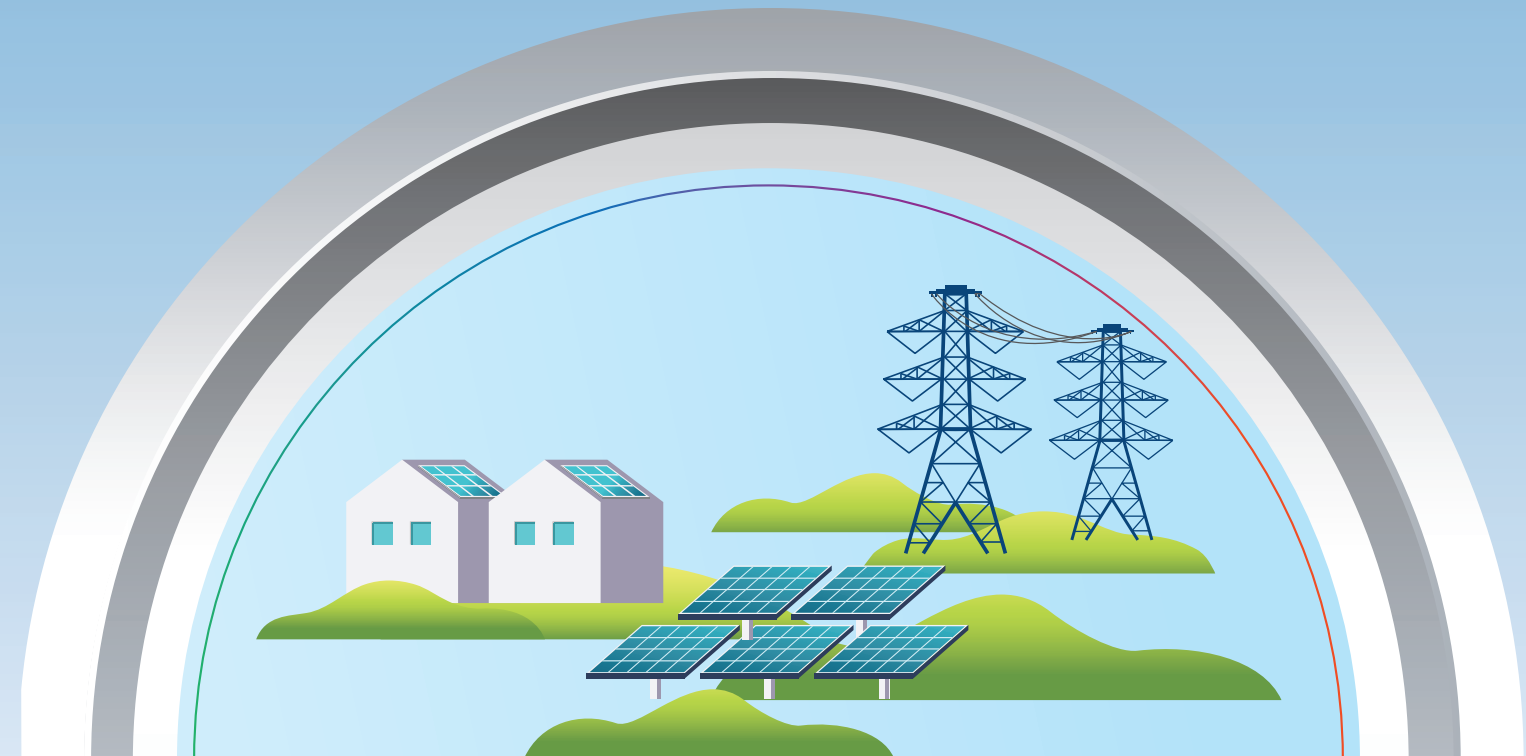
During the reporting year, the Company serviced its long-term debt obligations within the stipulated time. External Commercial Borrowings (ECB) outstanding at the beginning of the year were \$650 million and during the year, net increase was \$10 million. This makes the closing balance of \$660 million, which is fully hedged.

Government's Assistance or Benefits

Under Section 80-IA of the Income Tax Act, 1961, ATIL and Maharashtra Eastern Grid Power Transmission Company Limited (MEGPTCL) are entitled to deduct all gains on account of transmission system operations for 10 consecutive years within the first 15 years from the date they began operation. In case of ATIL, the benefit has been elected to commence the 10-year period from the reporting year for transmission lines from Mundra to Dehgam and Mundra to Mohindergarh; however, it has not been elected in case of MEGPTCL. LIC forms a part of ATL's shareholding (2.61% in FY 2017-18). Only one share the face value of ₹10 is held with the Government of Rajasthan out of the 25 lakh shares of Adani Transmission Rajasthan Limited (ATRL). We have not received any financial assistance from the Government in terms of tax reliefs, subsidies, investment grants, royalty holiday or other financial incentives.

# Manufactured Capital

## Creating Value by Adopting Best-in-class Systems and Technologies



As India's largest private sector energy transmission company, we focus on adopting new and evolving technologies. Systems and technologies suitable for bulk power transfer over long distances — such as high-capacity Extra High Voltage/ Ultra High Voltage (EHV/UHV) AC systems, HVDC systems, compact towers/ substations, mitigating devices to address high short-circuit level and intelligent grids — have been developed by us.

### System Efficiency and Availability

To enhance our revenue, we continuously monitor cumulative availability and number of outages across our different established assets and our performance against internally set KPIs. Transmission losses are kept to the optimal level as per design specifications that have been provided by regulatory authorities such as the Central Electricity Regulatory Commission (CERC), Rajasthan Electricity Regulatory Commission (RERC) and Maharashtra Electricity Regulatory Commission (MERC). Our engineering department ensures that the designs conform to specifications.

Our operating performance continues to set a national and industry benchmark in terms of system availability of 99.83% and EBITDA margin (Operations) of 94% for the transmission business. Our robust performance can be inferred from consistent system availability of over 99% in the preceding three years of operation. The availability is measured as a function of outages as per applicable regulations.



An engineer monitoring the performance



Table 2: System Availability

Asset Name	System	FY 2015-16		FY 2016-17		FY 2017-18	
		Normative Availability (%)	Cumulative Availability (%)	Normative Availability (%)	Cumulative Availability (%)	Normative Availability (%)	Cumulative Availability (%)
ATIL asset-1	HVDC	95.00	99.61	96.00	99.07	96.00	99.80
ATIL asset-1	EHVAC	98.00	99.99	98.00	99.85	98.00	99.94
ATIL asset-2	EHVAC	98.00	99.86	98.00	99.90	98.00	99.79
ATIL (Tiroda-Warora)	EHVAC	98.00	99.93	98.00	99.92	98.00	99.83
MEGPTCL	EHVAC	98.00	99.83	98.00	99.86	98.00	99.77
ATSCL	EHVAC	NA	NA	98.00	99.79	98.00	99.82
MTSCL	EHVAC	NA	NA	98.00	99.93	98.00	99.77
WTPL	EHVAC	NA	NA	NA	NA	98.00	100.00
WTGL	EHVAC	NA	NA	NA	NA	98.00	100.00

The extent of availability of our infrastructure is essential for our end user as per SLAs and our performance on this aspect is monitored by comparing cumulative

availability numbers. These numbers are provided on a monthly basis by regulatory authorities, with normative availability values.



Material Consumption

Adopting best-in-class technologies in our business is essential to ensure and maintain global performance benchmarks. We acknowledge the fact that to be competitive, we need to invest in innovation, absorb emerging technologies and pursue R&D initiatives. Our engineering department has carved out R&D initiatives with focus on process improvement and design customisation, without compromising on technical requirements.

The R&D initiatives are reviewed by dedicated management teams and we report our R&D efforts, including savings, to the Board every quarter. We also internally circulate our achievements to inspire young

engineers to contribute towards innovation through internal newsletters.

Our engineering department unveils new and improved designs of towers used for transmission. The key focus is on cost reduction through less consumption of materials such as steel, aluminium and insulators, among others. Additionally, in-house designs help customise environmental and technical parameters, which would not be possible with standard designs.

We are exploring usage of Geo Synthetic material in designs for protecting soil from erosion against conventional use of RCC or Masonry walls which will help in optimal utilisation of natural resources.

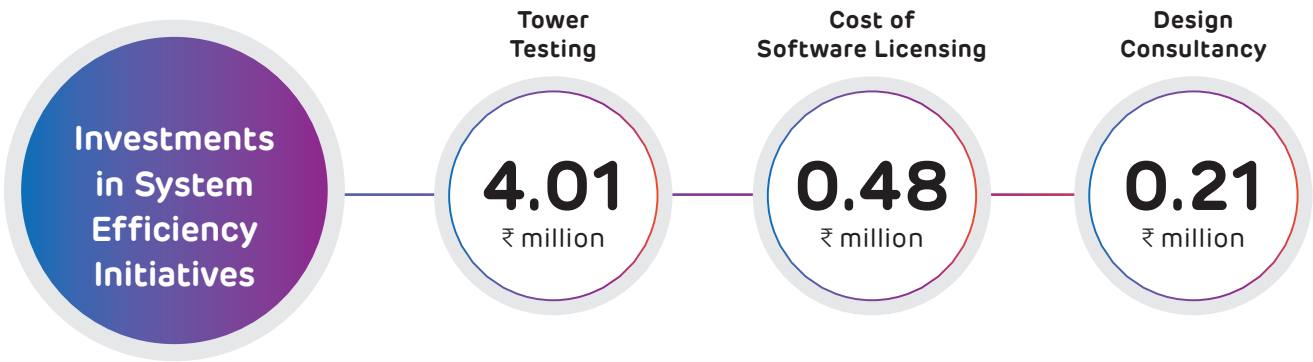


Table 3: Material Consumption

	Unit	FY 2015-16	FY 2016-17	FY 2017-18
Steel (Tower Part)	MT	3,900	45,871	35,394
Aluminium Alloy (Conductor)	MT	163	16,030	17,313
Steel Wires (Conductor and Earth Wire)	MT	0	5,792	6,010
Transformer Oil	KL	0	71.251	528
SF <sub>6</sub> (Top-up)	KG	165	57.26	69.19
Concrete (M20, M15 and M10)	M <sup>3</sup>	13,388	94,341.05	44,874
Polymer Insulator	Number	2,271	56,364	3,080
Porcelain Insulator	Number	3,089	55	4

Waste Management

In our business, we generate wastes during project execution and O&M. Wastes generated during project management are handled according to the waste management systems agreed with EPC contractors. Wastes generated in the supply chain, such as fabrication of tower components, are handled by respective vendors. We have also redesigned the contracting philosophy to mitigate the risk for the management of scrap material.

Earlier, we used to procure ACSR conductor in wooden drum, which generate wooden scrap at project completion. Subsequently, we continue to use returnable steel drums. For the disposal of smaller quantities of wooden scrap generated from earth wire and packing material for insulators, we allow the contractor to dispose the scrap from the site, wherein the contractor passes on the proceeds of the scrap's salvage value.

We also evaluate the environmental impact related to our supply chain and project contractors. Our contractors at project sites conduct limited activities at sites such as fabrication and transportation of tower sections and associated materials, civil work, erection and stringing. We optimise resource consumption, which aims to reduce emissions, minimise waste and conserve resources.

We ensure that our contractors follow ATL's policies and guidelines and the environmental impact related to their operations are minimised. Our key environmental concerns in project execution are material conservation and waste

management. The Integrated Management System (IMS) includes the management of activities related to project execution. We ensure that the EPC contractors have their own environment management system and include our requirements. Besides, we monitor the environmental performance of EPC contractors regularly to reduce and minimise impact.

Our O&M operations generate certain hazardous and non-hazardous materials such as metal scrap from tower parts, insulators, waste oil from transformers, used batteries and waste from offices. Our IMS includes a system for waste segregation at source and disposal as per waste categorisation. As a general practice, we dispose waste as per the following methods and in compliance with relevant regulations wherever applicable:

- We sell metal scrap through auction
- We dispose used batteries through authorised vendors as per Batteries (Management and Handling) Rules, 2001
- We dispose used transformer oil and empty containers through authorised recycler/re-processor according to the Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008
- For other waste items than those mentioned above, we undertake a suitable disposal mechanism responsibly on a case-to-case basis as documented in our IMS

Table 4: Total Waste Items Generated

Category	Units	FY 2015-16	FY 2016-17	FY 2017-18	Disposal Method
Hazardous Waste					
Battery	Numbers	118	100	10	Buyback
Oil Drums	Numbers	*	392	250	Authorised recycler
Non-hazardous Waste (Scrap from Construction and Operational Assets)					
Insulator Scrap	Numbers	3,318	316	2,502	Auctioned by vendors
Wood Scrap	MT	4.37	8	22.02	
Steel Scrap (Tower Materials)	MT	74.8	16.425	10.58	
Aluminium Scrap (Conductor)	MT	61.16	0	13.39	
Aluminium Scrap (Others)	MT	0.27	0	0.4	
Galvanized Iron Scrap	MT	78.23	0.6	1.05	
Project/ O&M Waste (Aggregates)	MT	–	6.39	0.57	0.15 MT and 3,52,265 cement bags
Plastic Scrap	–	0.1 MT	60,000 cement bags		

\*Not captured during FY 2015-16

As a part of India's commitment to the Stockholm Convention on Persistent Organic Pollutants, only non polychlorinated bi-phenyl (PCB) transformer oil is used in all our substations. PCBs are Persistent Organic Pollutants (POPs) used as an insulating medium in electrical equipment.

Our IMS monitors leaks and spills of hazardous substances and there were no significant spills of transformer oil during the reporting period.

Besides, we have not transported/ imported/ exported/ treated wastes deemed hazardous under the terms of the Basel Convention Annexures I, II, III and VIII, nor shipped them internationally.

We ensure that our contractors follow ATL's policies and guidelines and the environmental impact related to their operations are minimised.





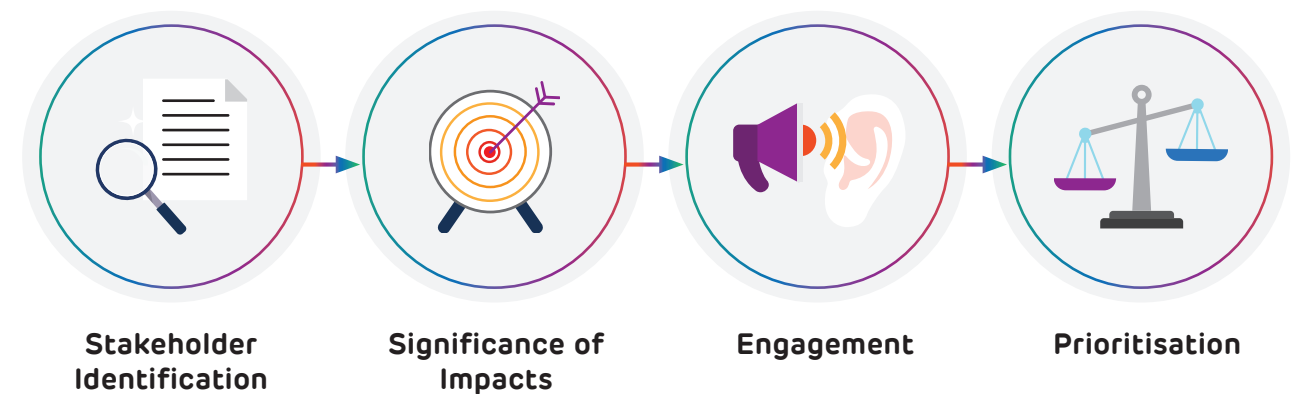
# Social & Relationship Capital

Sharing Value with Partners, Communities and the Society



## Stakeholder engagement processes, outcomes and concerns




■ We recognise our accountability to stakeholders and acknowledge that our success depends on understanding the interests and requirements of stakeholders. Our endeavour is to find common and acceptable solutions in collaboration with them. Our key stakeholders are those who can create considerable business impact and be significantly impacted by it.

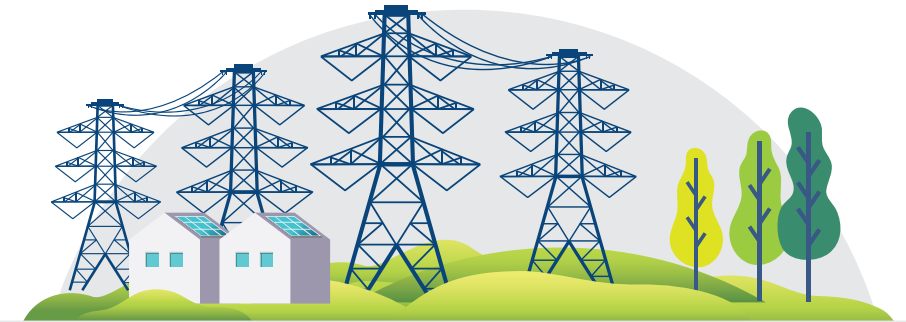





## Our Stakeholder Engagement Approach

The following stakeholders have been identified based on the significance of their impact on the business and the impact of the business on them. Key concerns were discovered through our interactions over the course of the business and through various modes of engagement with them.

Table 5: List of Identified Stakeholders and Engagement Details

Key Stakeholders	Key Stakeholder Concerns	Frequency of Engagement	Mode of Engagement and Communications
Shareholders, Investors and Financial Institutions 	<ul style="list-style-type: none"> <li>Compliance to laws and regulatory requirements</li> <li>Return on investment/dividend</li> <li>Timely interest and debt repayment</li> <li>Socially/environmentally responsible investment</li> <li>Company strategies</li> <li>Corporate governance</li> <li>Proactive/timely communication</li> <li>Anti-corruption and ethical behaviour</li> </ul>	Quarterly, Annual, Need-based	<ul style="list-style-type: none"> <li>Annual Reports</li> <li>Sustainability Reports</li> <li>Annual General Meetings</li> <li>Communications to stock exchanges</li> <li>Investor meets</li> <li>Quarterly conference calls</li> <li>Rating agency notes</li> <li>Engagement with bankers for research reports on the Company</li> </ul>
Human Resources (Employees + Workforce) 	<ul style="list-style-type: none"> <li>Respect and dignity</li> <li>Non-discrimination and fair treatment</li> <li>Talent management, learning and skill development</li> <li>Career planning and growth</li> <li>Work-life balance</li> <li>Work environment</li> <li>Health and safety</li> <li>Fair remuneration</li> <li>Job clarity and job security</li> <li>Grievance redressal</li> <li>Proactive communication</li> <li>Ethical behaviour/statutory compliance</li> </ul>	Continuous, Monthly, Half-yearly, Need-based	<ul style="list-style-type: none"> <li>Appraisal</li> <li>Monthly newsletters</li> <li>HR online surveys</li> <li>Emails</li> <li>Town hall/open-house meetings</li> <li>Health, Safety and Environment (HSE) committee meetings</li> <li>Apex meetings</li> <li>Policy communication</li> <li>Portal/intranet</li> <li>Family get-togethers</li> </ul>
Customers 	<ul style="list-style-type: none"> <li>Conformity to contractual conditions, SLAs and availability</li> <li>Compliance to regulatory requirements</li> <li>Grievance redressal</li> <li>Proactive communication</li> <li>Timely project delivery</li> <li>Anti-corruption and ethical behaviour</li> </ul>	Continuous, Need-based	<ul style="list-style-type: none"> <li>Emails</li> <li>In-person meetings/letters</li> <li>Telephone calls</li> <li>Progress and performance reports</li> </ul>



Key Stakeholders	Key Stakeholder Concerns	Frequency of Engagement	Mode of Engagement and Communications
Governments, Local Administration and Statutory and Regulatory Authorities 	<ul style="list-style-type: none"> <li>Compliance and taxes</li> <li>Timely responses to queries</li> <li>Anti-corruption</li> <li>Disaster and relief management</li> <li>Timely project delivery</li> <li>System reliability</li> <li>CSR</li> </ul>	Need-based	<ul style="list-style-type: none"> <li>Emails</li> <li>In-person meetings/letters</li> <li>Telephone calls</li> <li>Progress and performance reports</li> <li>Petitions</li> <li>Accident/incident</li> <li>Reports</li> <li>Returns under applicable laws</li> </ul>
EPC and Supply Chain Partners 	<ul style="list-style-type: none"> <li>Fairness and transparency in contractual process</li> <li>Competence development of supply chain partners</li> <li>Security at workplace</li> <li>Timely payment and honouring commitments</li> <li>Long-term association</li> <li>Create a win-win situation</li> <li>Clarity in terms and conditions</li> <li>Work environment - Guidance and co-ordination related to quality, environment, health and safety at site</li> <li>Anti-corruption and ethical behaviour</li> </ul>	Continuous, Need-based	<ul style="list-style-type: none"> <li>Contract/general conditions of contract audits</li> <li>Feedback and evaluation reports</li> <li>Supplier meets</li> <li>In-person meetings</li> <li>Tool-box talks</li> <li>HSE meetings</li> <li>Emergency response drills</li> <li>Progress reports</li> <li>Monthly meetings</li> </ul>
Local Communities, NGOs and General Public 	<ul style="list-style-type: none"> <li>Anti-corruption and ethical behaviour</li> <li>Infrastructure development and maintenance</li> <li>Social need identification and community welfare</li> <li>Grievance redressal</li> <li>Fair process and evaluation for any losses and compensation</li> <li>Proactive communication</li> <li>Health and safety</li> <li>Environmental protection and non-pollution</li> <li>Human rights honouring commitments</li> <li>Indigenous rights</li> <li>Emergency response and disaster management</li> </ul>	Continuous, Need-based	<ul style="list-style-type: none"> <li>Community engagement and local community meetings</li> <li>Newspapers and CSR volunteers</li> <li>Hoardings</li> <li>One-on-one meetings with farmers</li> <li>Gram Panchayat / Gram Sabha</li> <li>Sustainability Reports</li> </ul>





## Vendors

ATL's business philosophy is based on a reliable and sustainable supply chain to drive efficiency in business operations. As part of the Company's business transformation agenda, we have now formulated a structured and uniform supply chain management process. Given the nature of our business, vendors (suppliers and contractors) are partners and act as enablers for success.

Vendors play a significant role in determining the successful completion of a project in terms of schedule, quality and cost of the asset being constructed. Therefore, from a business sustainability point of view, ATL is committed to supporting vendors to provide the best quality with optimum cost, while considering the HSE aspects.

We actively invest in developing our vendor ecosystem to ensure that none of the vendors employ child labour and abide by the applicable regulatory requirements. Implementing a detailed process of onboarding vendors through pre-qualification ensures vendor credentials and capability to execute assignments, adhere to HSE norms and comply with statutory requirements. We are aligning ourselves with our Group initiative towards standardisation of business processes to make them reliable and future ready. Through our business transformation processes — DISHA and AGILE— our Group has developed a common vendor base across our Group companies. DISHA is focused on operations, while AGILE is focused on projects. To build a sustainable business relationship with vendors, we measure the performance of the vendor and provide feedback for improvement and development.

The Company follows a Vendor Relationship Management (VRM) programme that involves collaborative working and relationship building with vendors to meet relevant business objectives.

## Vendor Assessment Practices

Our key vendors are primarily divided into the following categories:



The major supply items are transmission line towers, insulators, conductors, hardware fittings and accessories, earth wire, OPGW under transmission lines, transformers, reactors and other substation equipment for transmission and substation projects.

Suppliers are evaluated based on their manufacturing capability, past records, current commitment, manufacturing quality plan, environmental and social obligation, and on whether they are operating with the required management system. This includes risk assessment, compliance to environment, labour, human rights, and occupational health and safety.

Contractors are evaluated based on the construction capability i.e. manpower and equipment mobilisation, executed work in the past, current commitment, field quality plan, safety procedure and accident score card, environmental and social obligation, and whether they are operating with the required management system. This includes risk assessment, compliance to the environment, labour and human rights, and occupational health and safety.

We carry out comprehensive environmental management system assessment during the selection of supply chain partners. Our vendor assessment is conducted in two phases – initial vendor registration and thereafter based on the risk profile of the vendor. Vendors are screened for actual and potential negative impact, if any, on the environment, labour practices, quality and human rights. We are in the process of developing a safety scorecard for each vendor. This will be made part of the pre-qualification criteria for our upcoming projects. We conducted 20 assessments of our new and existing supply chain partners in FY 2017-18, which covered various environmental parameters, including waste.

Contractors for turnkey jobs are evaluated based on their manufacturing strength for major supply items leveraged for cost optimisation and smooth supply chain management. Besides, they are evaluated based on manufacturing and field quality plan, environmental and social obligation, and whether they are operating with the required management system.

This includes risk assessment, compliance to environment norms, labour and human rights, and occupational health and safety. For any new vendor, we gather feedback from their clientele references to confirm and ensure their performance.

## Efficient Procurement System

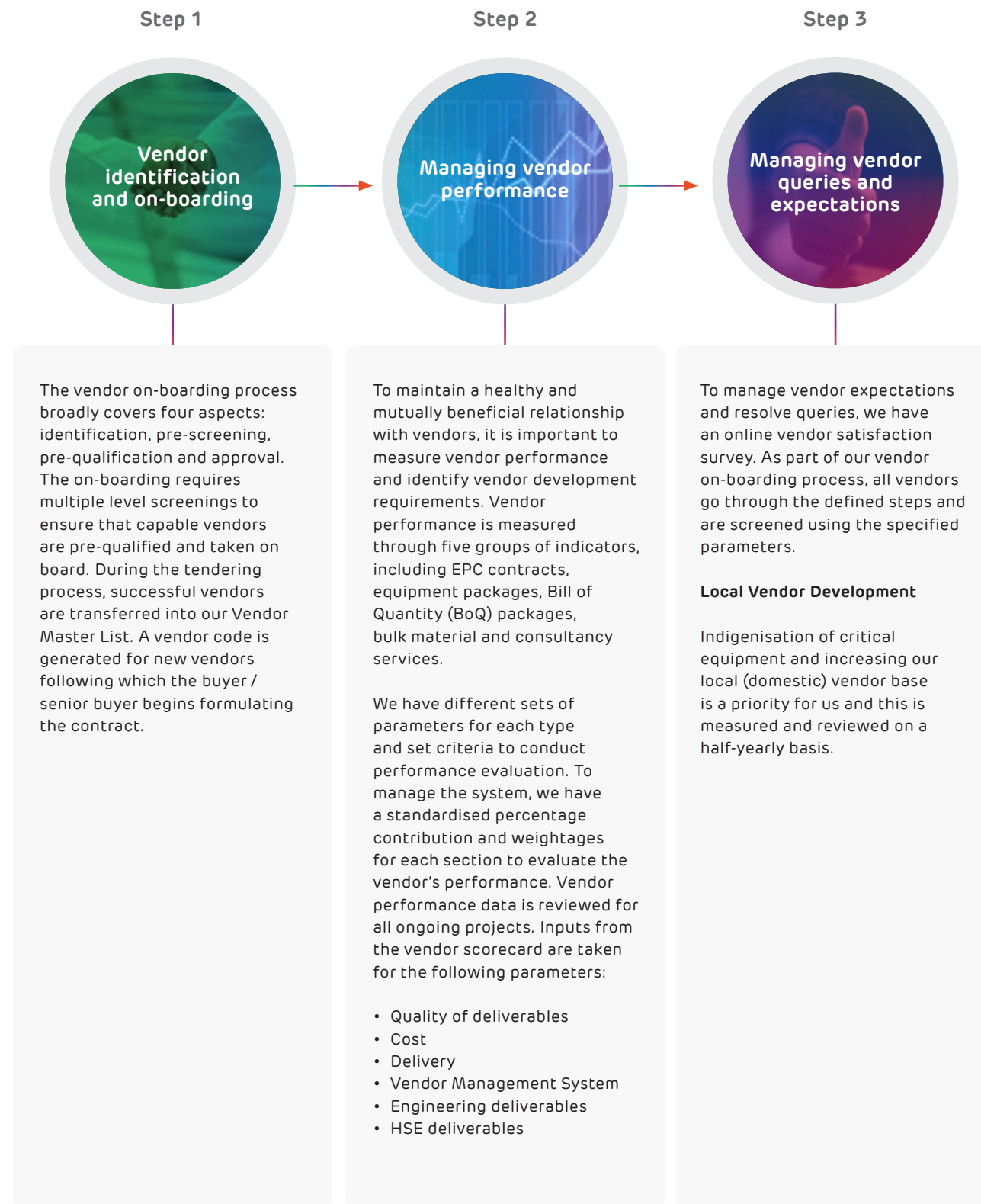
For the supply of tower parts and aluminium conductor, we have evaluated and compared both backward integration practices and direct procurement of finished goods to optimise cost and to have better control over quality and delivery.

For instance, where we have opted for a backward integration model, the converters for tower parts and conductors are strategically selected considering the raw material cost and logistics, for optimised cost of finished material.

Additionally, metal commodities are being monitored closely and based on the market price trend, past data and future projection, we take a strategic call for forward positions of aluminium ingot and zinc. We then enter into a Memorandum of Understanding (MoU) for steel, etc. to mitigate the price escalation risk and to optimise the overall project cost.

## Steps Involved in Procurement

The following steps are key to our vendor management process:



## Community Engagement

We identify the community as one of our key stakeholders. Our community engagement starts with identifying specific requirements (through formal and informal interaction with members of the community) early in the stage of project planning and runs through the entire project lifecycle. Before project commencement, we also take help of external expert agencies whenever required for need identification in a formal manner.

The community requirements are then categorised into the core areas of education, health, livelihood and infrastructure development. Based on these needs, relevant social intervention programmes are designed and implemented. We also conduct social impact assessment at defined intervals and initiate changes in our CSR programmes, based on the inputs of stakeholders and outcome of impact assessment.



## Community Grievance Mechanisms

During FY 2017-18, no community grievances were reported through formal channels.

Suggestions and demands by local communities (shared informally) are routed through the Gram Panchayat and discussed in the presence of the rural development committee. Our CSR team provides support to the community if suggestions are related to the community's advantage. We periodically conduct impact assessment studies of our CSR initiatives at all operating locations. The impact assessment of CSR initiatives is done on a rolling basis so that every individual location is covered once in five years.

## Resettlement and Rehabilitation

We comply with all applicable regulations for Resettlement and Rehabilitation (R&R) in respective states. There were no cases of infringement of rights of indigenous community groups across our locations. We did not have any significant negative impact on local communities at any of our locations. There were no cases of physical or economic displacement of local people at our operations within the boundary of this report during FY 2017-18.



For more details on our CSR activities, refer to our CSR Report, Page 20, in our Annual Report 2017-18



# Human Capital

## Strengthening Value through Nurturing our Talent Pool



**The insight of our people is critical to the long-term value creation and sustainability of our Company. We work to maintain a productive and robust organisation, hire and develop talented people, strengthen our leadership and enhance employee performance through engagement.**

The transmission industry by nature requires resources with unique skills and varied capabilities to achieve a shared vision and purpose. We are proud of being innovative and agile in our endeavours, the result of a vibrant workforce capable of responding quickly to changing market dynamics.

Our team goes beyond the usual boundaries of talent acquisition, performance reviews and remuneration and focuses on the areas of holistic well-being of our workforce. As a young company in a complex business environment, we recognise the need to continually revisit our HR systems, focus on recruitment, retention and development of our people.

### Our HR strategy during FY 2016-17 focused on the following broad themes and we have retained it during FY 2017-18:

- Adhering to established Standard Operating Procedures (SOPs) and HR policies of the Adani Group. We have achieved full compliance to the Group SOPs. This was confirmed during our internal audits carried out by MAAS. We are in the process of further strengthening our SOPs to meet the new challenges identified based on employee engagement
- We had set a target of identifying and developing high-potential talent for our business continuity and growth and we have completed the identification of these key resources for succession. Seventy-one employees have been identified through Harvard Courses while five employees were identified in the North Star category. We are also partnering with experts to develop customised courses, which include a mix of virtual and classroom training and set an ambitious target by 2022, in line with personal and business guidelines
- The implementation of a structured Learning Management System (LMS) continued through FY 2017-18 and shall continue as a medium-term target till 2020. Further, based on the evaluation through LMS we are revamping and strengthening the existing learning systems and training modules to ensure end-to-end integration, simultaneously developing a new and robust system. We are engaging third-party experts to help implement training requirements in line with ATL's requirements
- As a Group initiative, during the year, we analysed our rewards and recognition programmes through idea generation and identification of SPOCs at each business level

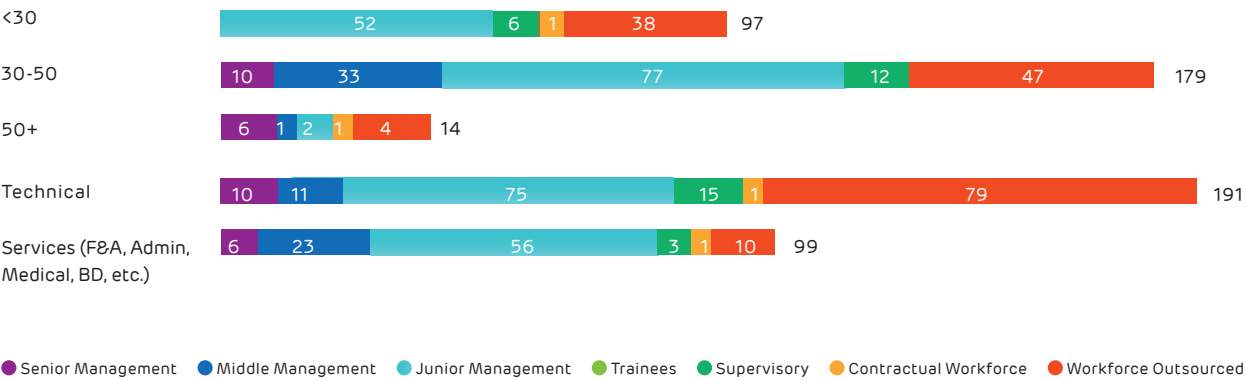


We treat our resource like family, taking every opportunity to invest in their personal and professional development. We have implemented Group policies to ensure that the well-being of our employees is upheld across our operations. Further,

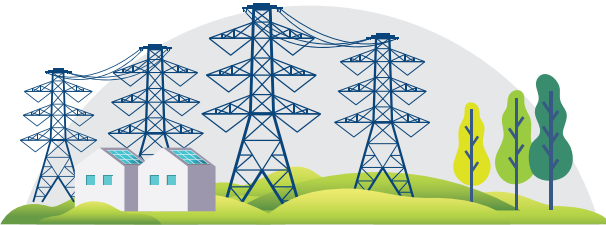
fair policies, practices and benefits, allow excellence to become a way of life at ATL.

Our total employee strength, including contract workforce, as on 31<sup>st</sup> March 2018 was 290; 43.28% were local employees i.e. employed in the state of domicile.

Workforce Profile



Our strategy for meeting human resource requirements is based on development from within. We ensure that we constantly enhance knowledge and skill, because unavailability of talent can have repercussions on new project planning and expansion, including our objective of 20,000 ckm by 2022. Hence, retaining existing talent is essential for smooth execution of all our projects. Additionally, we also engage contract workmen in our projects and O&M and have planned their development through on-the-job and off-the-job training.



We need to ensure that we achieve planned targets and also our projects are delivered on time. Hence, our human resource play a vital role at all stages of our business. We ensure constant dialogue with workforce and have established a robust grievance management system. We further strive to maintain cordial relationships between our workforce and the management, as any disruption in relationships can impact time and cost overrun.

We believe, this is attributed to opportunities through other projects, which has strengthened employee engagement.

For our new members, we have rolled out programme to engage with them even before having them on board. A dedicated resource from the recruitment team remains in touch with prospective employees to guide them through the joining process. When an employee joins ATL, we have a 'Sahyogi' programme to engage with them for familiarisation and formal orientation. We have a mechanism in place to gather feedback after 7 days, 30 days and 90 days.

The voluntary employee attrition rate at ATL in FY 2017-18 was 5.31%. Attrition numbers in FY 2017-18 reduced over the years. We believe, this is attributed to opportunities through other projects, which has strengthened employee engagement.

Around 1.99% of employees are due to retire in 5 years and 10.45% are due to retire in 10 years. We strive to fill our vacancies by hiring internally. Processes for identification of successors for different positions are in place. During the year, we hired 16 new recruits. The average age of our workforce as on 31<sup>st</sup> March 2018 was 34.68 years.

Table 6: Number of Hires

	Male			Female		
	<30 Years	30-50 Years	50+ Years	<30 Years	30-50 Years	50+ Years
Senior Management	0	0	0	0	0	0
Middle Management	0	1	0	0	0	0
Junior Management	6	4	0	0	1	0
Supervisory	2	0	0	0	0	0
Trainees	0	0	0	0	0	0
Contractual Workforce	1	1	0	0	0	0
TOTAL	9	6	0	0	1	0

Table 7: Attrition Details

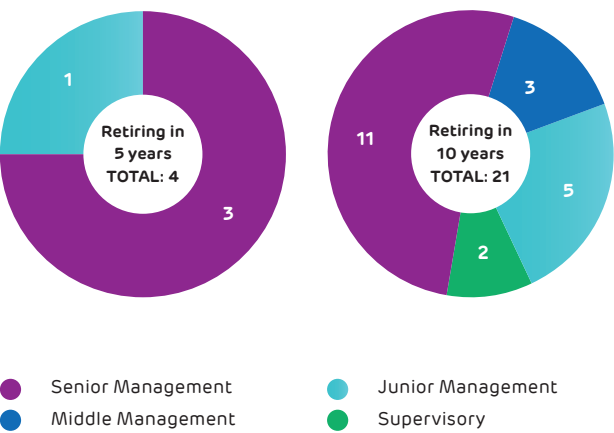
	Male			Female		
	<30 Years	30-50 Years	50+ Years	<30 Years	30-50 Years	50+ Years
Senior Management	0	0	1	0	0	0
Middle Management	0	3	0	0	0	0
Junior Management	5	4	0	0	1	0
Supervisory	2	0	0	0	0	0
Trainees	0	0	0	0	0	0
Contractual Workforce	0	1	0	0	0	0
TOTAL	7	8	1	0	1	0
Average length of tenure in ATL (employment period by age group)	1.9	2.8	7.5	0	0.1	0

During the year there was no attrition of key resources. We believe this was a result of our employee engagement including specially designed intervention ('North Star') in collaboration with the Harvard Business School. The objective is to build competencies in specific areas such as business acumen, execution and people.

We have instituted the following measures to support our people and retain talent:

- Preparing employees for their new roles by taking them through a robust induction process that introduces them to the company, structure and work culture
- Focusing on our retention strategy to provide our employees with adequate training and development support to grow professionally
- Ensuring we are an equal opportunity employer
- Offering fair and comparable compensation and benefits to all our employees
- Rewarding and recognising meritocracy
- Mapping the talent pool across the Adani Group and encouraging internal transfers when opportunities arise

Figure 2: Number of employees eligible for retirement in 5-10 years





Employee Engagement



Our engagement methods include the Grievance Redressal Mechanism, Employee Outreach programmes and regular one-on-one communication. These help us resolve employee concerns promptly. We have an open-door policy and any employee can approach the management with his/her concerns without fear of reprisal. We have also implemented and continued during reporting year a grievance redressal portal named 'My Concern', which serves as a platform for employees to voice any concern or grievance. Going forward, we have taken initiatives wherein any employee can share his/her views / concerns / issues / suggestions / grievances to HR as well as MD and CEO through dedicated email id and various other interactive forums.

Employee Benefits

We have a host of benefits which we provide to our employees, some of which go beyond what is required by law.

In addition to personal insurance, life insurance cover for employee's spouse and children are also provided; this also covers maternity benefits over and above life insurance.

- Earlier, from 2016, for those employees working for more than three years in the company, parental insurance was covered additionally. This policy was revised during the reporting year and parental insurance for critical illness is covered additionally for employees having completed one year
- Interest free loans for marriage, education and medical reasons, housing loan interest subsidy, car lease and educational loans for spouse and children are some of the benefits provided to our employees
- In case an employee wants to continue their higher education, benefits like sponsoring a portion of the fees are provided
- To engage our employees and their family members, every year we organise an event under the signature of "Saraswati Samman". This initiative is about to encourage academic performance of children of our employees and to provide a platform to showcase their talent
- Our sister concern, AIIM (Adani Institute of Infrastructure Management) provides concessional fee structure to employees interested in pursuing higher education

Although we have a process of signing a bond, we ensure that the terms and conditions of the bond are fair and transparent; and it is not construed as forced labour.

Table 8: Return to Work and Retention Rates after Parental Leave

	Gender		Total Employees
	Male	Female	
Entitled to parental leave	201	0	201
Took parental leave	7	0	7
Returned to work after parental leave ended	7	0	7
Returned to work after parental leave ended and were still employed 12 months after returning to work	7	0	7
Percentage of employees returning to work after parental leaves	100%	100%	100%

Promoting Excellence as a Way of Life



Effective performance management plays a critical role in nurturing our people and promoting excellence. To evaluate the performance of our employees, we use a performance management framework that is linked to individual development goals and targets and provides inputs for the Training Need Identification (TNI) process as each employee's reporting manager assesses his/her developmental needs. These, along with the specific inputs from individual employees about his/her own training needs, help us chart out the training calendar for the year.

This framework is supplemented by ongoing formal and informal feedback discussions with each employee and focuses on objective goal setting, identification of required competencies and annual appraisals. To ensure a common understanding, objectives are defined specifically for each function and two key workshops are conducted at the beginning of the year - when identifying and setting Key Performance

Indicators (KPIs) and prior to the year-end assessment, aiming to engage our staff on how the process operates. This ensures that performance appraisals are conducted in a fair and transparent manner.

While we conduct annual performance reviews for all of our employees, we have introduced mid-year performance reviews to make proactive, mid-course assessments of our employees' progress. The mid-year review also acts as a medium where employees can voice their opinions and exchange feedback.

Employees are guided on how they may improve their performance and be recognised for the areas in which they have excelled. Furthermore, reviewing performance parameters every six months leads to a deeper level of engagement between employees and their managers.

Enhancing People Potential

Our organisational culture encourages employees to grow at all stages of their association with the Company. We provide staff the space to cultivate team and leadership qualities, adopting the approach across hierarchies. Our HR development strategy is geared to provide adequate tools to equip our employees with the necessary skills to excel.

We have a clearly defined training and development policy, including the elements of the organisation's vision, mission and values. All employees, irrespective of their grade and status, are provided with many opportunities to develop as professionals and achieve their aspirations. Our performance management system provides inputs for the Training Need Identification (TNI) process as each employee's reporting manager assesses his/her developmental requirements.

These, along with specific inputs from individual employees about their own training needs, help us chart out the training calendar for the year. Our trainings are aligned with the competency requirements for various positions in our organisation.

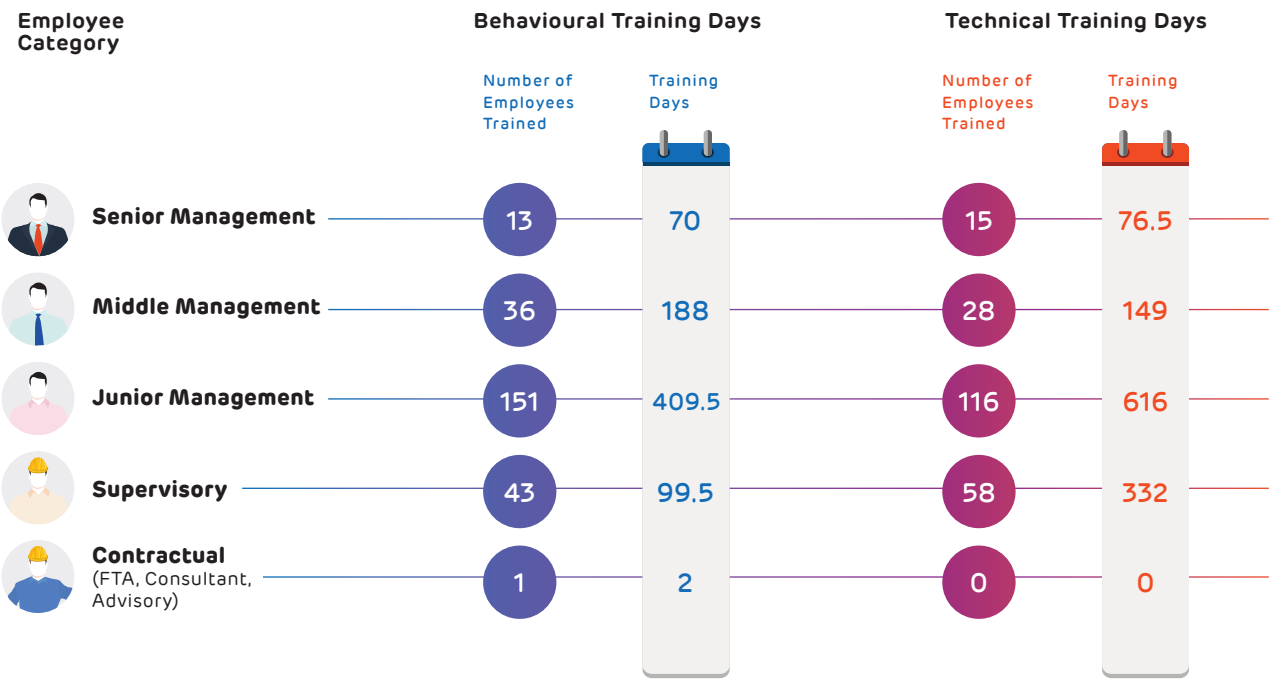
A TNI is undertaken to assess areas for further development. Structured training modules are offered to employees to strengthen capacities and upgrade skills based on their individual departmental roles and specific needs.

Anchoring conversations at every level and ensuring that all managers are skilled in doing so has been an area of focus. The needs are converted into various learning solutions/ training programmes offered to employees through an annual training calendar.

To support this, we have adequate infrastructure with audio visual aids and training classrooms. In addition, various training programmes in line with the training calendar are facilitated by external consultants and trainers.

A significant effort is made towards developing strong leadership potential across the organisation through highly focused leadership development programmes. These programmes are aimed at strengthening our team and supporting their career progression.

Our training programmes are both technical as well as behavioural in nature. Behavioural trainings cover leadership, soft skills training and include classroom trainings and practical field- based trainings. The programmes are evaluated for their effectiveness to ensure that they are relevant and impactful. For the current year, the organisation designated an average of five person-days of training for each grade. Around 100% of employees achieved this target in FY 2017-18.



Technical training:

The transmission value chain requires specific technical capabilities that are unique to the business. To keep our workforce abreast with various technical aspects, covering construction, O&M of transmission lines and substations, we identify and design tailored training modules to equip our people with job-related skills and competencies.

Behavioural training:

The primary objective of behavioural training interventions is to create a culture of learning in the organisation, which is anchored around our vision, values and culture. In addition, the training aims to include

capability building through various tools to prepare employees for future assignments and challenges. Each employee is required to undergo a minimum of 2.5 man-days of behavioural training every year and all eligible employees have achieved this target.

Training and development needs are additionally strengthened through our sister institutions such as Adani Power Training and Research Institute (APTRI), Adani Institute of Infrastructure Management (AIIM) and Adani Management and Development Centre (AMDC) which offer state-of-the-art facilities to deliver learning and development programmes to employees throughout the year.

eVidyalaya - Learn anywhere, anytime



We are encouraging employees to develop knowledge and skills through an e-learning platform called 'eVidyalaya', to support and reinforce learning within and across Adani Group's diverse businesses and locations. eVidyalaya ensures that learning at Adani is not bound by time or place; and can be delivered in an effective manner at an employee's convenience.

eVidyalaya combines a variety of rich media and interactive modules, including audio, video, quizzes and simulations that are designed to enhance learning retention, ensure a stronger grasp of the topics and strengthen employee capabilities. We have set an internal target of five courses per employee during the year, which is linked with Performance Management System. Hundred and seventeen employees undertook fifty seven courses through eVidyalaya.



## Human Rights



Our human rights policy and code of conduct covers diverse requirements of human rights including rights of our people, recognising their need for respect and dignity. We are in the process of conducting 360° survey among our employees for respect and dignity. We are also initiating 'Let's Talk', kind of a HR clinic where any employee can connect with HR from any location to voice any concerns. We are also creating an IT-enabled platform where all employees can connect with the MD and CEO.

We ensure that stakeholders are protected against human rights abuses and are given the opportunity needed to realise their full potential without any bias.

We are committed to fair employment practices and freedom of expression, supported by a strong, Company-wide value system. Our practices for human capital management eliminates discrimination in any form at the workplace.

We have comprehensive disciplinary and grievance procedures in place that meet all requirements in terms of fairness or as required in the applicable legislation. We are committed to the labour rights principles provided in the International Labour Organisation core conventions and IFC performance standards including freedom of association and collective bargaining, health and safety of workforce eradication of child or forced labour and harassment or intimidation in the workplace, among others.

We do not have any collective bargaining agreements with our workforce. However, our engagement activities provide sufficient avenues to our employees as well as contract workforce to voice their opinions.

Our employees and contract workforce working on our O&M and projects are sensitised on human rights during their induction process and thereafter regular updates are provided on aspects related to human rights. Information on human rights is also communicated in an informal manner using various case studies and news articles. This ensures that the workforce is updated and sensitised towards human rights issues.

The Company's security personnel are also regularly sensitised on non-use of force and human rights. They are also provided training on managing a situation which may trigger human rights issue. The training of security personnel is conducted at the projects and O&M level by utilising the services of both internal and external resources.

At ATL, we believe that an engaged workforce is key to innovation, performance and ensuring we meet our business objectives. In addition to initiatives aimed at training and nurturing our people, we have developed ongoing team building activities to foster a trusting and collaborative working environment.

The aim of our engagement programmes is to encourage communication, keep employees informed about our organisation's progress and to listen to what our people have to say. A monthly newsletter has been launched to provide updates on recent developments, events and stories about our employees from across our operations.

There is a structured process in place in the organisation to take feedback from all employees regarding policies. Based on the feedback relevant policies are relooked and suitable changes are brought in. A senior leadership meeting is organised to orient them to changes in the policy and new initiatives. All stakeholders are communicated through various communication channels for any change in policy. Recently, we have modified policies around benefits with focus on enhanced benefits.

Data management of our employees is supported by our ERP solution. We are working to have a dedicated ERP for data management of all contract workforce, including statutory compliances. We are also upgrading our IT-enabled platform for further integration of HR processes, starting from sourcing to exit.

## Occupational Health and Safety



The Health and Safety of our people is paramount to us. We do not compromise on personnel safety either for our own employees or the contract employees working at our premises. Our goal is to ensure 'Zero Harm' for our employees and contractors.

We consider high safety risks in our projects and electrical safety risks in our O&M. We ensure strict adherence to industry-best practices across our operations and strive to improve our occupational health and safety performance to create a safe and secure workplace. Therefore, we have implemented Safety Management Systems (OHSAS 18001:2007) as part of our IMS across our projects and O&M to identify and manage hazards, risks and emergencies. We have a group policy on safety. During FY 2017-18, we identified specific resource requirements to strengthen our safety culture, practices and also increased team strength in our safety function.

Our IMS is supported by a Safety Manual for the transmission business which covers regulations to ensure that sector-specific safety procedures and protocols including Central Electricity Authority (CEA) regulations and other requirements are addressed. We have communicated these requirements to be abided by our employees and contractors. Our legal compliance tracker monitors compliance to central and state legislations; and we had no significant non-compliances in the last three years.

We have also strengthened our safety culture through engagement of all workforce in our safety committees

at all sites to meet our set objective of zero harm - 100% of our total workforce is represented in formal joint management systems. During the year, monthly safety committee meetings were organised and action plans were developed. Our employees actively participate in the management of occupational health and safety and are provided regular training on health, safety, security, emergency preparedness and crisis management. There were no fatalities or Lost Time Incidents (LTIs) either in our projects or in our O&M operations in FY 2017-18 and FY 2016-17. We initiated monitoring of safety observations, first aid and near miss cases during the reporting year and we recorded 15 first aid cases; i.e. 0 in O&M and 15 in projects and 34 near miss cases; i.e. 11 in O&M and 23 in projects.

We have a robust system to capture safety observations – consisting of unsafe acts and unsafe conditions through various mechanisms such as site safety inspection by top management, site safety representatives, internal audits, external audits and mock drill by the Group safety department.

We have set a system to monitor various Lead and Lag safety indicators to measure our safety performance at all sites. We focus on leading indicators, which include near miss, safety observation, safety training, mock drill, safety promotional campaign, tool box talk, safety committee meeting. It is ensured that labels, indicators, posters, tags and signage related to safety aspects are displayed for awareness.



Table 9: Safety Statistics

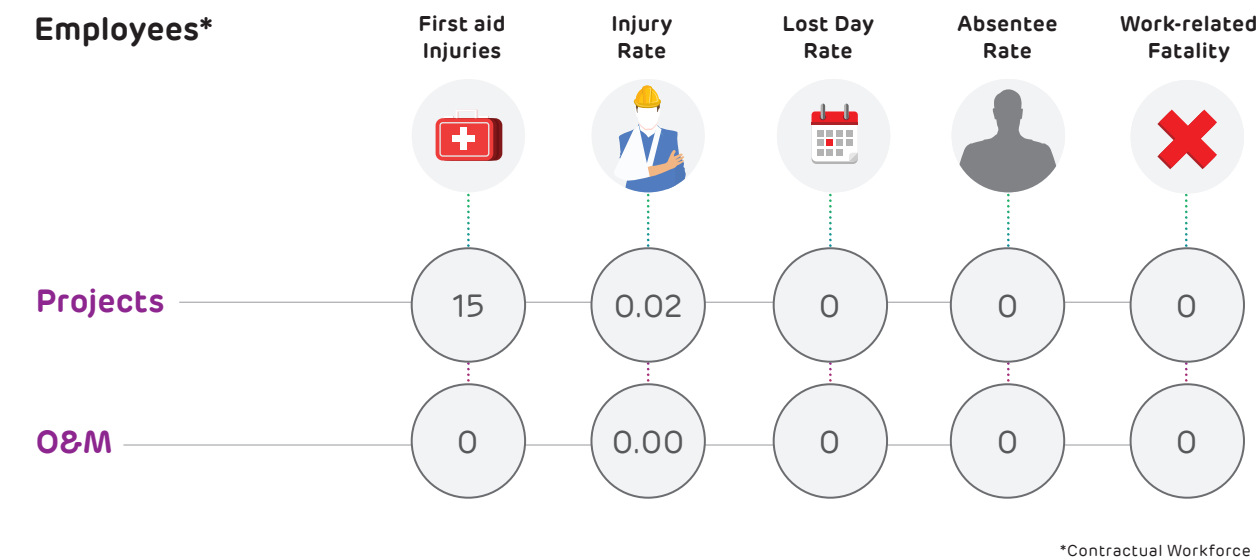


Table 10: Percentage of Workforce represented by Health & Safety Committees

Job Category	Workforce represented through Committees
Projects	100%
O&M	100%

During the year, we carried out 1,296 safety observations. We observed 100% compliance to the observations raised as per Adani Group's safety standards and IMS requirements.

We are in the process of establishing systems for monitoring absenteeism and identification of occupational diseases and the same shall be reported in subsequent reports.

At ATL, safety has also been placed at the forefront of training, ensuring that each employee has the appropriate knowledge to be able to prevent injuries in his/her role. The safety training workshops are also extended to contractors to help improve safety performance and reduce the number of health and safety incidents across our supply chain.

Managing Occupational Health and Safety



Our Occupational Health and Safety (OHS) Policy is a statement of commitment towards working in a safe and responsible manner which protects our workers and communities, preserves the environment and maintains the integrity of our assets.

A central Corporate Safety Team monitors the safety performance of all locations, while the OHS function facilitates effective implementation of all policies and protocols. On-site emergency plan and safety operating procedures are in place at all our locations. We maintain an incident log register to record all health and safety cases. This register is reviewed when we develop new preventive measures to improve our approach to OHS across ATL's operations.

Apart from personal accident, mediclaim and workman compensation policy, we have launched power privilege services for employees and their dependents, which are valid everywhere across India. These privileges cover subsidised services for our employees for access to specialist and super-specialist doctors, health check-ups, medical diagnostics and pharmacies. Our employees also have prioritised access at our network hospitals.

Safety Training

We ensure that each worker, permanent or contractual, undergoes relevant trainings on health and safety before being deployed. During FY 2017-18, a total of 5,511 persons, including floating workforce, were provided safety induction training. Identifying safety risks and sensitising our workforce is an integral part of our orientation programme and on-site trainings for both employees and contractors. The awareness sessions on health, safety, environmental issues, the Company's policies and applicable laws are imparted through in-house modules and external trainings.

We conducted 577 safety training programmes on various topics during the year and 100% of the employees and workforce under manpower contract were imparted relevant safety training. In safety trainings, we achieved 15,383.5 manhours during FY 2017-18. In addition to safety trainings, we conducted periodic mock drills (50 number in FY 2017-18) across ATL locations including the Head Office.

Employees in our corporate office located in Ahmedabad are trained on health and safety during their induction and through periodic refresher training as per our HSE policy. However, we have initiated the collection of data related to HSE training at the corporate office and it shall be reported going forward.

To strengthen our occupational health, safety systems and processes across our transmission business, we initiated the implementation of OHSAS 18001:2007 safety management system during FY 2015-16; and we got certified for OHSAS 18001:2007 covering all our O&M locations (Substations, Transmission Lines & HVDC System), Project Sites for Transmission Lines, Substations' and associated facilities during the reporting year.

Safety Event - Highlights

- Fire Safety Week celebrated across locations on 14<sup>th</sup> April to 20<sup>th</sup> April 2017
- Noise awareness day celebrated
- Road Safety Week celebrated from 8<sup>th</sup> January 2018 to 14<sup>th</sup> January 2018 at all locations
- National Safety Week celebrated from 4<sup>th</sup> March to 10<sup>th</sup> March 2018 at all locations



# Intellectual Capital

## Building Value through Capability Building



■ We believe intellectual capital is essential from a long-term perspective and growth of our organisation. We have adopted a three-tier strategy to enhance our intellectual capital. This includes strengthening the capability of our human resources, bringing in structural changes in terms of systems and processes and enhancing the relationship capital through co-operation and collaboration activity with research organisation, academia and peers.

### Our key focus areas to enhance our intellectual capital are:

- Collaborate for research & development (R&D) and innovation activities, enabling to improve the overall efficiency and reliability
- Engage with business partners for supply of new, more efficient products and services
- Continuous process optimisation through business transformation and management of the lifecycle of facilities and equipment
- Encourage employees and business partners for reducing operating and maintenance costs and decreasing environmental impact
- Identify best-in-class technology available in the market and adopt new products and services to meet contractual requirements
- Adopt emerging standards and management systems
- Encourage employees to learn and share tacit knowledge





During FY 2017-18 we invested ₹4.7 million on R&D expenses. This majorly included cost related to validation of our designs at approved test beds, procuring and renewal of new software licenses.

We are exploring the design of tower with circular sections (tubular sections) in place of conventional

angle sections, which is more reliable in wind storm. This increases the reliability and safety of transmission lines, resulting in higher system availability and reduction in O&M cost. Based on our preliminary analysis, transmission towers with tubular sections require 10-15% less steel than the conventional tower with angle sections.



## Technology Improvement



Adopting ahead-of-the-curve technologies in our business is essential to ensure and maintain global performance benchmarks. To optimise cost and conserve our resources, we have put in place relevant software to customise and design in-house towers. By developing in-house designs of transmission towers and foundations, we are in a position to carry out our engineering design and estimation much in advance. This allows more time for project execution within set timelines.

Recently, IS code applicable for tower design has been revised and tubular sections are also allowed in tower structures. We are evaluating the usage of tubular sections as we envisaged that wind load gets reduced by almost 40%; and this may increase the reliability and safety of transmission towers during extreme weather conditions such as cyclones. Considering uncertainties in weather conditions in the coming years we expect towers with tubular section to be more reliable.

The reliability of our towers is very critical, and we evaluate our tower designs through robust testing processes involving approved test beds as per Central Board of Irrigation and Power (CBIP) requirements.

Additionally, to continually improve efficiency and as a stepping stone to developing smart grid systems, we are in the initial stages of identifying opportunities leading to integration of isolated systems. We also participate in both national and international technical forums such

as CBIP seminars, the Conseil International des Grands Réseaux Électriques (CIGRE) presentations among others for upgrading our knowledge; as well as understanding technology advancements for optimal resource utilisation.

**'DISHA' process for O&M:** A systematic process called DISHA has been evolved and established for sustainable operations and maintenance practices across the transmission business. We have mapped our primary processes such as maintenance process, which includes equipment classification, Root Cause Analysis (RCA), PM schedule and inventory management, which facilitates better monitoring of KPIs to improve productivity.

**'AGILE' process for projects:** AGILE is a business transformation initiative focused on creating a common control platform for various activities related to projects. The effective and efficient project management requires various inter-departmental inputs. There were separate SOPs for various departments like Engineering, Projects, Procurement, Safety and Quality. To improve on our practices of project management by giving bird eye view of projects status and life cycle a common platform has been evolved and established. We have standardised inputs, processes and outputs for each department. Eighteen numbers of work packages were identified and implemented using SAP modules and Primavera (P6). This process also helps in indicating top five risks for a project.



# Natural Capital

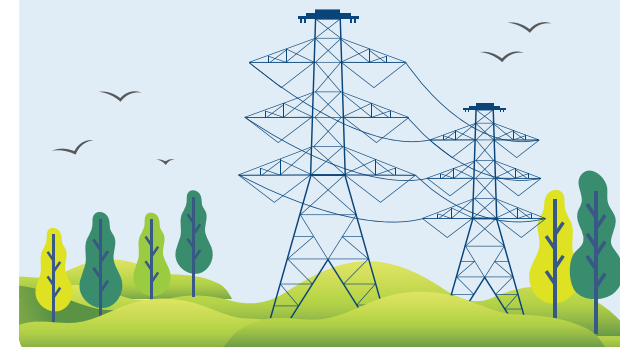
## Conserving Value through Environment Sensitivity and Resource Efficiency



Our business growth in line with our Goal 2022 for 20,000 ckm will require execution of new projects and interaction with environmentally sensitive areas. However, transmission businesses have minimal environmental impact and are inherently non-polluting in nature, when compared with other industrial sectors.

### Our key challenges in transmission business comprise:

- SF<sub>6</sub> free circuit breakers
- Putting project wastes into the circular economy
- PCB free transformer oils
- Controlling EMF radiation
- Ensuring safety avian
- Avoiding biodiversity hotspot and corridors



We are cognizant of the fact that we may require funding through external commercial borrowings which will bring international standards and criteria for funding such as IFC guidelines into the picture. As a management approach we have implemented an integrated management system comprising the requirements of ISO 9001:2015, ISO 14001: 2015 and OHSAS: 18001: 2007. This includes a detailed impact analysis of key management programmes to manage key aspects, internal audits and management reviews at regular intervals. The management system has helped us to mitigate key environmental risks proactively.

Biodiversity Management and Conservation



At ATL, we are committed to conserving our biodiversity. We avoid ecologically sensitive areas such as forests, sanctuaries, national parks, biosphere reserves and Coastal Regulation Zones (CRZs) to the extent possible as part of our due diligence. This is done in line with our agenda of biodiversity management and conservation.

We evaluate various alternatives and adopt an optimum plan for each project. The adopted plan entails least impact on biodiversity. The plans are submitted to local regulatory bodies (forest departments) and upon receipt of necessary clearances, we execute the projects. The stated requirements in such clearances are incorporated in our environment management plan.

Different ecosystems, such as forests, grasslands, mangroves and urban areas, provide different services to society and these services are collectively known as ecosystem services and at ATL we are committed towards preserving these ecosystems.

During our project stage, we make efforts to ensure that our lines and substations are not located in the path of ecologically sensitive areas. Our surveyors ensure this through route selection criteria and consultation with local forest departments wherever necessary.

However, in case of transmission lines, traversing through forest land may be unavoidable due to terrain or technical reasons. In such cases, the involvement of such area is restricted to the minimum possible extent. Our efforts towards environment conservation include programmes that comprise Compensatory Afforestation, Voluntary Plantation and Environment Management and Conservation Plan Implementation.

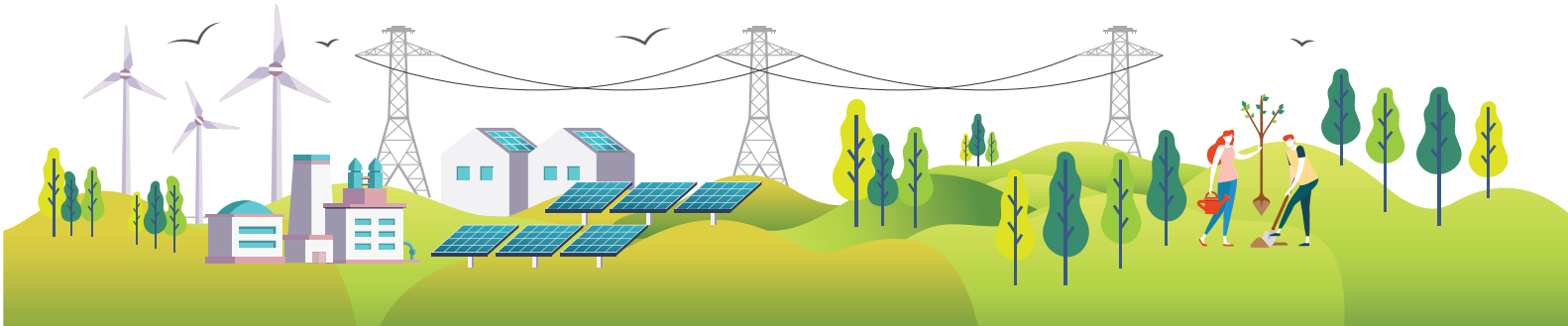
During the reporting year, we did not execute any operation/project which falls in ecologically sensitive areas, which are owned, leased, managed in, or adjacent to, protected areas; and areas of high biodiversity value outside protected areas. Hence, we did not create any significant impact due to our project and transmission activities. However, we monitor the performance of our existing transmission lines. Our lines passing through the Wild Ass Sanctuary in Kutch, Gujarat are:

- 400 kV Mundra-Dehgam transmission line, which cuts across 11.34 km and 46 metres right of way, covering 58.9680 hectares of sanctuary area (18.2 hectares forest and 40.77 hectares non-forest)
- 500 kV Mundra-Mohindergarh transmission line, which cuts across 5.917 km and 52 metres right of way, covering a total sanctuary area of 30.7684 hectares (5.6628 hectares of forest area and 25.1056 hectares of non-forest area)

Based on environmental and social impact studies and ecological studies and surveys carried out for the areas through which transmission lines passes, there are no significant impacts on biodiversity including species due to our operations. Besides, we implemented conservation plans. Based on our nature of operations, projects and Environment and Social Impact Assessment (ESIA) studies, we did not adversely impact any habitats including International Union for Conservation of Nature (IUCN) Red List species and Schedule II species during the reporting period. We have also carried out afforestation as required by the local forest departments. Additionally, we are working towards restoration by providing artificial habitats as proposed for the RRWTL and CWRTL lines.

Table 11: Operation Sites and Offset Habitats

Operational Lines	Forest Area (ha)	Location	Compensatory Afforestation Area (ha)
+/- 500 kV Bi-pole Mundra – Mohindergarh Transmission Line	24.8132	Mundra to Mohindergarh	28.8132
400 kV D/C (Twin) Mundra – Dehgam Transmission Line	36.90	Mundra – Dehgam	38.0
400 kV D/C (Quad) Tiroda – Warora Transmission Line	25.4193	Tiroda – Warora	25.4193
765 kV S/C Tiroda – Koradi Transmission Line (Circuit- I)	11.6447	Tiroda – Koradi	11.83
765 kV S/C Tiroda – Koradi Transmission Line (Circuit- II)	19.6702	Tiroda – Koradi	20.285
400 kV D/C Aurangabad – Pune Transmission Line	0.414	Aurangabad – Pune	2.00
400 kV D/C Limbdi – Vadavi Transmission Line	0.4416	Limbdi – Vadavi	3.00
400 kV DC Vadavi – Kansari Transmission Line	0.9959	Vadavi – Kansari	3.00
400 kV DC Rajgarh – Karamsad Transmission Line	48.66	Rajgarh – Karamsad	50.1895
Under Construction Lines			
765 kV D/C Rajnandgaon – Warora Transmission Line	294.3352	Rajnandgaon - Warora	294.3352
765 kV S/C Champa – Dharamjaygarh Transmission Line	22.182	Champa - Dharamjaygarh	22.182
400 kV Suratgarh – Bikaner Transmission Line	2.9624	Suratgarh – Bikaner	5.9248
132 kV S/C LILO of 132 kV Mahaveer Nagar Deoli Manjhi line	21.6661	Ranpur-Kota	43.3322
132 kV S/C Loonkaransar associated with 132 kV GSS Shekhsar Transmission Line	0.1136	Bikaner	- * *100 trees.





Climate Change



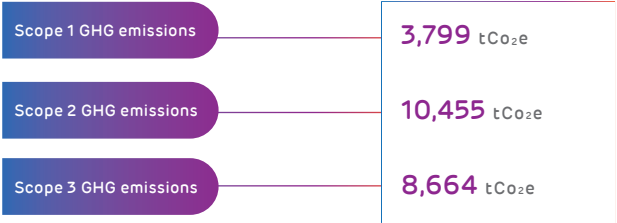
We are cognizant of the fact the climate change impact all sectors including transmission sector. Studies published in National Building Code shows that the wind velocity zones in India are slowly changing due to climate change.

This may require the upgradation of many transmission infrastructures in the overall sector. As a member of many technical forums, we are involved in discussions with CEA and other technical bodies to re-evaluate the applicability of wind zones to safeguard the reliability and safety of the infrastructure.

GHG Emissions

Fossil fuels are known to contribute to climate change and increase GHG emissions. Considering this, ATL has taken measures to reduce energy consumption and thus reducing GHG emissions. The primary energy-consuming activities include lighting and cooling at substations and offices. The energy requirement is met from grid electricity purchased from state electricity utilities and in case of exigencies (non-availability of power from grid), met through DG sets installed in the facilities.

As a proactive approach, we are exploring the feasibility of solar power to cater to auxiliary power requirements of substations in future.



Scope 3 emission calculation for the year includes areas wherein fuel used in contractor vehicle and equipment at sites, employee commute and energy used in logistics for material.

Conversion Factors and Assumptions

Considering diesel = 43.33 GJ/tonne and density 0.84 and emission factor of 2.67 T CO<sub>2</sub>e/KL from Intergovernmental Panel on Climate Change (IPCC) emission factors

Considering 3 km/L mileage\*

Considering 0.82 tCO<sub>2</sub>e/MWh

Considering international flights of 3,000 km and domestic of 1,000 km and IPCC emission factors of 0.083 kg CO<sub>2</sub>e/pax.km and 0.171 kg CO<sub>2</sub>e/pax.km

Considering CO<sub>2</sub> release of 22.8 tonnes per kg of SF<sub>6</sub>

Considering 10 L consumed by one truck in local transportation at the project stage

We have converted 60,153 MT input materials (ex. Aluminium Ingot, Steel, Zinc or Any other) and currently are in the process of evaluating the energy expended in these processes for reporting in subsequent reports

\* We estimated the emissions involved in logistics from local factory to project site stores using trucks with 35 MT capacity

We did not estimate the energy intensity values in FY 2015-16

To optimise energy consumption, energy efficiency measures like conversion/retrofitting of equipment and process redesign are continuously being explored as per our identified management programmes. During the year, the following energy conservation initiatives were ongoing:

- Though air emissions due to DG set of operations and accidental release of Ozone Depleting Substances (ODS) are not significant; however, in line with our policy and the government’s mandate and global convention, we have stopped purchasing cooling systems designed on ODS. However, at Mohindergarh, the central air-conditioning system uses R-22. During the year, we used 240 kg of R-22 Gas. Our substations use SF<sub>6</sub> in circuit breakers and during the year, 69.19 kg of SF<sub>6</sub> was used for refills and top-ups across all substations
- During the year, our substations mostly operated under grid electricity. DG sets used for back-up power at substations resulted in 0.63 MT SO<sub>x</sub>, 9.65 MT NO<sub>x</sub> and 1.30 MT Particulate matters, as calculated using ChemTrac tool, based on emission factors provided in US EPA AP-42 for ‘Gasoline and Diesel Industrial Engines’

Scope 3 Emissions

We are conscious of the fact that energy consumption and waste disposal in our supply chain including fabrication and transportation of tower components contribute significantly to GHG emissions. Hence, we continue to actively work with our supply chain partners to develop systems for the reduction of energy and waste and data collection for reporting our Scope 3 emissions; and we plan to report the significant Scope 3 emissions in short term.

Independent Assurance Statement

Scope and Approach

DNV GL represented by DNV GL Business Assurance India Private Limited ('DNV GL') was engaged by Adani Transmission Limited ('ATL', Corporate Identity Number L40300GJ2013PLC077803) to undertake an independent assurance of the Company's Value Creation Report 2017-18 ('the Report') in its electronic (Portable Document Format (PDF)) format hosted on its website (http://www.adanitransmission.com/). The Report is prepared based on the International <IR> Framework ('<IR>') of the International Integrated Reporting Council ('IIRC') that is, the Guiding Principles and Content Elements. The Report uses disclosures selected from the Global Reporting Initiative's (GRI's) Sustainability Reporting Standards (GRI Standards), and also other initiatives including the International Finance Corporation (IFC) Performance Standards and the United Nations' Sustainable Development Goals (SDGs) to bring out the various Content Elements of <IR>. The intended user of this Assurance Statement is the management of the Company. Our assurance engagement was planned and carried out in May 2018 – November 2018 for the financial year ending 31<sup>st</sup> March 2018.

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

We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion for providing a Type 2 Moderate Level of assurance based on AA1000 AS. In doing so, we evaluated the qualitative and quantitative disclosures presented in the Report using the <IR> principles, together with ATL's protocols for how the data was measured, recorded and reported. The performance data in the agreed scope of work included the qualitative and quantitative information on non-financial performance which were disclosed in the Report prepared by ATL based on GRI Standards for the identified material topics covering economic, environmental and social performance for the activities undertaken by the Company over the reporting period 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018.

The reporting topic boundaries of non-financial performance is based on the internal and external materiality assessment predominantly covering ATL's operations in India as set out in the Report in the section "About the Report".

We understand that the reported data on economic performance, including CSR expenses incurred by the business and contribution to Adani Foundation towards CSR expenses, are based on disclosures and data from ATL's Annual Report 2017-18, which is subjected to a separate independent statutory audit process, and is not included in our scope of work.

Responsibilities of the Management of ATL and of the Assurance Provider

The Management team of the Company have the sole accountability for the preparation of the Report and are responsible for all information disclosed in the Report as well as the processes for collecting, analysing and reporting the information presented in the Report, including the references to the Company's website. ATL is responsible for ensuring the maintenance and integrity of reported and referenced non-financial disclosures in its website. In performing assurance work, our responsibility is to the management of ATL; however, statement represents our independent opinion and is intended to inform the outcome of our assurance to the stakeholders of ATL.

DNV GL provides a range of other services to ATL, none of which constitute a conflict of interest with this assurance work. DNV GL was not involved in the preparation of any statement or data included in the Report except for this Assurance Statement and Management report highlighting our assessment findings for future reporting.

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

Basis of our Opinion

A multi-disciplinary team of sustainability and assurance specialists performed work at ATL's Corporate Office at Ahmedabad and visited Nagpur site of ATL. We adopted a risk based approach, i.e. we concentrated our verification efforts on the issues of high material relevance to Company's power transmission and trading business, and its key stakeholders. We undertook the following activities:

- Reviewed the Company's approach to addressing the requirements of <IR> Framework including stakeholder engagement and its materiality determination process;
- Verified the value creation disclosures related to the six capitals and claims made in the Report, and assessed the robustness of the data management system,

data accuracy, information flow and controls for the reported disclosures;

- Examined and reviewed documents, data and other information made available by the Company related to disclosures;
- Conducted in-person interviews with top and senior management team of Company and other representatives, including data owners and decision-makers from different divisions and functions of the Company to validate the disclosures;
- Performed sample-based reviews of the mechanisms for implementing the Company's sustainability related policies, as described in the Report;
- Performed sample-based checks of the processes for generating, gathering and managing the quantitative data and qualitative information included in the Report based on the selected GRI Standards.

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

Opinion and Observations

On the basis of the verification undertaken, nothing has come to our attention that causes us to believe that the Report does not properly describe ATL's adherence to the criteria of reporting (Guiding Principles and Content Elements) related to the <IR> framework, representation of the material topics, business model, disclosures on value creation through six capitals, related strategies and management approach and chosen topic-specific disclosures from the GRI Standards for identified material topics. Without affecting our assurance opinion, we also provide the following observations.

AA1000 Accountability Principles Standard (2008) Inclusivity

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

The Report has disclosed the process of stakeholder engagement, its outcome and stakeholder concern of key stakeholders i.e. government, local administration, statutory and regulatory authorities, Engineering, Procurement and Construction (EPC) and supply chain partners, local community, non-governmental organisations and general public, to find common and acceptable solutions in collaboration with those stakeholders. Further the outcomes of stakeholder engagement are used as inputs in shaping the business strategies and respond to significant sustainability topics.

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

Materiality

*The process of determining the issues that is most relevant to an organisation and its stakeholders*

The Report articulates identified material issues emerging from materiality analysis based on <IR> and as required by AA1000APS. The materiality determination process is based on inputs from key stakeholders including global and peer sector reports, Company and Group policies, value chain impacts of operations, business risks, and inputs from the senior management at ATL and has not missed out any known material topics. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.

Responsiveness

*The extent to which an organisation responds to stakeholder issues*

The Company has established formal and informal process (at Operation and Maintenance, and Project levels) to respond to stakeholder concerns and feedback. These processes have been established both. We contemplate the Report has fairly disclosed the strategies and management approach related to identified key sustainability topics including challenges considering the overall sustainability context of the transmission sector for its Projects, Operation and Maintenance and related activities defined within the Report. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Responsiveness.

Specific Evaluation of the Information on Sustainability Performance

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

Reliability

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

<sup>1</sup> The VeriSustain protocol is available on request from www.dnvgi.com

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



The Report has disclosed ATL's non-financial performance through selected GRI Topic Specific Standards for the identified qualitative and quantitative disclosures and these are captured in data formats generated by ATL's Enterprise Resource Planning system. The majority of data and information verified at the Corporate Office and sampled operational and project site were found to be accurate. Some of the data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors. These identified errors were communicated and subsequently corrections made in the reported data and information. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Reliability.

Additional principles as per DNV GL VeriSustain Completeness

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

The Report has fairly brought out the disclosure requirements of <IR> including the value creation through

six capitals, business model, strategy, management approach, monitoring systems and sustainability performance indicators considering the scope and boundary of its reporting i.e., its transmission business. The Company is establishing systems to capture its sustainability performance related to its agro-trading business. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Completeness.

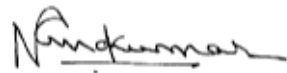
Neutrality

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

The Report has disclosed non-financial issues, challenges and performance in a fairly neutral tone, in terms of content and presentation, and has also considered the sustainability context and external environment in bringing out its value creation perspective on six capitals during the reporting period. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.

For and on behalf of DNV GL AS  
Bengaluru, India, 24<sup>th</sup> December 2018

Nandkumar Vadakepatth



Lead Verifier,  
Head – Regional Sustainability Operations – India Subcontinent and Middle East,  
DNV GL Business Assurance India Private Limited, India.



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Prasun Kundu



Assurance Reviewer,  
DNV GL Business Assurance India Private Limited,  
India

Content Index – Mapping with GRI and Other Initiatives (IFC and SDG)

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GRI STANDARD 2016	BRIEF DESCRIPTION	SECTION OF THE REPORT	PAGE NO. OF THE REPORT		SDG	IFC
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102-24	Nominating and selecting the highest governance body	Refer Annual Report page number 62	-	5, 16	5 - Women in leadership 16 - Inclusive decision making	
102-25	Conflicts of interest	Refer Annual Report page number 62	-	16	Effective, accountable and transperant governance	
102-26	Role of highest governance body in setting purpose, values, and strategy	Governance and Risk Management	9			
102-27	Collective knowledge of highest governance body	Governance and Risk Management	9	4	Education for sustainable development	
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102-32	Highest governance body's role in sustainability reporting	Refer Annual Report page number 62	-			
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<b>302-1</b>	Energy consumption within the organisation	Key Highlights, Natural Capital	IC, 62	7, 8, 12, 13 7, 8, 12, 13 - Energy efficiency 7 - Renewal energy 12 - Transport	PS-3
<b>302-2</b>	Energy consumption outside of the organisation	Key Highlights, Natural Capital	IC, 62	7, 8, 12, 13 7, 8, 12, 13 - Energy efficiency 7 - Renewal energy 12 - Transport	PS-3
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GRI STANDARD 2016	BRIEF DESCRIPTION	SECTION OF THE REPORT	PAGE NO. OF THE REPORT	SDG	IFC
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<b>404-1</b>	Average hours of training per year per employee	Human Capital	46	4, 5, 8 4, 8 - Employee training and education 5 - Gender equality	PS-1

GRI STANDARD 2016	BRIEF DESCRIPTION	SECTION OF THE REPORT	PAGE NO. OF THE REPORT		SDG	IFC
404-2	Programs for upgrading employee skills and transition assistance programs	Human Capital	46	8	Employee training and education	PS-1
404-3	Percentage of employees receiving regular performance and career development reviews	Human Capital	46	5	5 - Gender equality 8 - Employee training and education	PS-1
405-1	Diversity of governance bodies and employees	Governance	10	5, 8	5 - Gender equality, Women in leadership 8 - Diversity and equal opportunity	
406-1	Incidents of discrimination and corrective actions taken	Social and Relationship Capital, Human Capital	38, 46	5, 8, 16	5, 8, 16 - Non-discrimination	PS-2
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Social and Relationship Capital, Human Capital	38, 46	8	8 - Freedom of association and collective bargaining	PS-2
408-1	Operations and suppliers at significant risk for incidents of child labor	Value Chain Context, Social and Relationship Capital	23, 38	8, 16	8, 16 - Abolition of child labour	PS-2, PS-3
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Value Chain Context, Social and Relationship Capital	23, 38	8	Elimination of forced or compulsory labour	PS-2, PS-3
411-1	Incidents of violations involving rights of indigenous peoples	Social and Relationship Capital	38	2	Indigenous rights	PS-5 to PS-8
412-1	Operations that have been subject to human rights reviews or impact assessments	Human Rights	54			PS-2
412-2	Employee training on human rights policies or procedures	Human Rights	54			PS-1
413-1	Operations with local community engagement, impact assessments, and development programs	Social and Relationship Capital	38			PS-1 to PS-8
419-1	Non-compliance with laws and regulations in the social and economic area	Governance	10	16	16 - Compliance with laws and regulations	PS-1 to PS-8
Other Disclosures						
EU-16	Policies and requirements regarding health and safety of employees and employees of contractors and subcontractors	Human Capital	46	8	Occupational health and safety	PS-2, PS-4
EU-17	Days worked by contractor and subcontractor employees involved in construction, operation and maintenance activities	Key Highlights	IC	8	Occupational health and safety	PS-2, PS-4
EU-21	Contingency planning measures, disaster/emergency management plan and training programs, and recovery/restoration plans	Risk Management and Materiality	9	1,11	1, 11 - Disaster/emergency planning and response	PS-1 to PS-4

Abbreviations

ABBREVIATION	
AC	Alternating Current
AIIM	Adani Institute of Infrastructure Management
AMC	Annual Maintenance Contract
AMDC	Adani Management and Development Centre
AP	Air Pollution
APTRI	Adani Power Training and Research Institute
AR	Annual Report
ASCR	Aluminium Conductor Steel-Reinforced
ATIL	Adani Transmission (India) Limited
ATL	Adani Transmission Limited
BBB	Better Business Bureau
BD	Business Development
BRR	Business Responsibility Report
CEA	Central Electricity Authority
CEO	Chief Executive Officer
CERC	Central Electricity Regulatory Commission
CIGRE	Conseil International des Grands Réseaux Électriques
ckm	Circuit Kilometre
CRO	Chief Risk Officer
CRZs	Coastal Regulation Zones
CSO	Chief Sustainability Officer
CSR	Corporate Social Responsibility
CTU	Central Transmission Utility
CuM	Cubic Meter
CWRTL	Chhattisgarh-WR Transmission Limited
D/C	Double Circuit
DG	Diesel Generator
EAR	Erectos' All Risk
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
EHV	Extra High Voltage
EPA	Environmental Protection Agency
EPC	Engineering, Procurement and Construction
ERS	Emergency Restoration System
F&A	Finance and Accounts
FSC	Fixed Series Compensation
FTA	Fixed Term Appointment
FY	Financial Year
GHG	Green House Gas
HR	Human Resources
HSE	Health, Safety and Environment
HVAC	High Voltage Alternating Current
HVDC	High Voltage Direct Current
IC	Inside Cover Page
ICC	Internal Complaints Committee



ABBREVIATION	
IFC	International Finance Corporation
IMS	Integrated Management System
INR	Indian Rupees
IPG	IPG photonic
ISO	International Organisation for Standardisation
ISTS	Inter State Transmission System
IT	Information Technology
IUCN	Union for Conservation of Nature
KG	Kilo Gram
KL	Kilo Litres
km	Kilometres
KPIs	Key Performance Indicators'
KRA	Key Result Areas
kV	Kilo Volts
LMS	Learning Management System
M&A	Mergers and Acquisitions
MD	Managing Director
MAAS	Management Audit & Assurance Services
MEGPTCL	Maharashtra Eastern Grid Power Transmission Company Limited
MERC	Maharashtra Electricity Regulatory Commission
MT	Metric Tonnes
MVA	Mega Volt Amp
MW	Mega Watts
MWh	Megawatt Hours
M3	Cubic Meter
NKTL	North Karanpura Transco Limited
No. or no.	Number
NOx	Nitrogen Oxides
O&M	Operation & Maintenance
ODS	Ozone Depleting Substances
OH&S	Occupational Health and Safety
OHSAS	Occupation Health and Safety Assessment Series
OPGW	Optical Fibre Ground Wire
PCB	Polychlorinated bi-phenyl
PF	Provident Fund
POPs	Persistent Organic Pollutant
PV	Photovoltaic
R&D	Research & Development
RERC	Rajasthan Electricity Regulatory Commission
RoW	Right of Way
RRWTL	Raipur-Rajnandgaon-Warora Transmission Limited
S&P	Standard & Poor's
SDG	Sustainable Development Goals
SEBI	Securities and Exchange Board of India

ABBREVIATION	
SF <sub>6</sub>	Sulfur Hexafluoride
SLA	Service Level Agreement
SOP	Standard Operating Procedure
SOx	Sulphur Oxides
SPOC	Single Point of Contact
SPV	Specila Purpose Vehicle
ST	Sustainability Team
TBCB	Tariff Based Competitive Bidding
tCO <sub>2</sub> e	Tonnes of carbon dioxide equivalent
TNI	Training Need Identification
UHV	Ultra High Voltage
US	United States
USA	United States of America
VRM	Vendor Relationship Management
WR	Western Region
YTD	Year to date

## Notes

This image shows a full page of blank, lined paper. It features approximately 20 evenly spaced horizontal grey lines across its entire width, providing a guide for handwriting or typing. The background is a clean, solid white color.



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