

Disclosures regarding Covid and Environment Clearance

1. Delays in projects due to environmental clearances

For transmission projects environment clearance under EIA notification is not required however whenever transmission line route alignment transvers through Forest/ Wildlife areas, the Forest /Wildlife clearance from MOEF & CC is required.

Measures taken to mitigate the risk of project delays are mentioned below:

- Development of in-house dedicated team for Forest / Wildlife Clearance at HO and site level.
- Early action taken for preparation of the proposal and processing of the proposal.
- We as a group working in most of the state and now a strong database has been created for FC approval procedures in different state.
- Policy advocacy with GOI & state Government to have digitalization of the land records (Revenue/Forest). To some extent digitization is already done by respective governments and this has mitigated the risk of the identification of the land issues.

Their impact on the overall completion schedule: The Company ensures to complete projects within the overall schedule without a significant impact on financials through the additional deployment of resources in the case of Forest/Wildlife clearance delays.

In case of delays in Forest/Wildlife Clearances documentation is entered into with concerned authorities, regulatory commission and LTTC to mitigate punitive action. Force majeure notices are issued to the concerned authorities so that an extension in timeline is availed from the regulatory commission after work completion.

2. Impact on projects due to Covid.

ATL has an Enterprise Risk Management in place as per the COSO framework and Business Continuity Management System as per ISO 27031:2011. Considering the dynamic nature of the macro business environment, a systematic ERM ensures the identification of emerging risks and development of associated management plans. Our risk management process aims to support delivery of the Group's strategy by managing all risks that can impact the assumptions for the business and value generation process. Ensuring the supply of power and infrastructure during the COVID-19 crisis was a testimony of the ERM robustness.

The COVID-19 was declared a pandemic by the World Health Organization on March 11, 2020 and is still ongoing. To contain the spread, the Indian government imposed a countrywide lockdown on 25th March 2020. As power generation, transmission and distribution were considered by the government as essential, the company remained operational during the lockdown in accordance with the guidelines issued by the Ministry of Home Affairs and relevant State governments. However work was affected due to restrictions imposed by the government and worker resistance. A second infection wave in India resulted in the re-imposition of a lockdown even as transportation and construction activities were left out of the ambit.

Steps taken to mitigate key risks

- Sufficient material stocked at the site to meet construction requirements for four months
- For material inspection, local third party agencies were engaged and wherever factory visit for inspection was not feasible, the inspection was done through the digital mode.
- Counselling was done for the leader of workers to boost morale, provide incentives, take affirmative actions for safety and fulfilment of basic needs to retain existing worker groups
- To bring new worker teams, utilizing relation/contact-based resources, engaging in local deployment and providing an assurance of their medical, incentives, transportation, food and shelter was done.
- The company initiated action for the early vaccination of all staff including contractor manpower and groups as the construction of transmission system figured under essential services.
- The company and other agencies conducted weekly medical checks to ensure the health of workers and collaborated with nearby hospital for medical assistance
- The company followed guidelines issued by the respective Governments and does not foresee a significant cost overrun as activities have not been completely stopped and steps have been taken for project sustenance
- The company sustained a Project Management team at the company's corporate office with experience in the execution and monitoring of transmission projects.

Impact on completion schedules

Though India was affected due to the first and second waves of COVID-19, the company ensured timely projects completion. The situation is evolving and new challenges are being encountered due to strong team deployment to complete projects on schedule. Also vide the government notification dated 27 July 2020 extended the SCOD by five months to mitigate supply chain and manpower disruption caused by the Covid-19 pandemic.

3. Impact on Operations and Maintenance due to Covid

CoVID-19 resulted in various changes in the regular Operations and Maintenance of the company's transmission system.

Safety: On 25th March 2020 a complete lockdown was imposed throughout the country by the Indian government and anticipating such a scenario, mock quarantine drills were conducted across various sites wherein operations and management were simulated considering lockdown conditions. Revised health and safety guidelines incorporating COVID-19 governance were issued, virtual groups were created to track real time health status and daily motivation programs were introduced.

Substations: A majority of the operations were still being conducted from local control rooms inside substation premises, so it became difficult to manage manpower 24x7. Various guidelines were developed to keep the systems safe. Necessary supplies were stocked in stations with emergency preparedness.

Transmission lines: Resistance during patrols was faced by the team due to restrictions in commute from locals due to fear of virus spread and differed shutdowns. Maintenance activities were relooked and prioritized based on their criticality with support of the local administration.

Inventory management and OEM support: Virtual support from OEMs was sought to address supply chain challenges as a result of which inventory management was controlled.

The pandemic brought risk mitigation initiatives to the fore, helped develop IT infrastructure for connectivity and remote management of substations (human less) coupled with a specialized round-the-clock maintenance crew to reduce overheads. Realtime dashboards for health monitoring of critical assets, asset performance management through sensorization will infrastructure integrity in the future during challenging scenarios.