Our company intends to retain its undisputed leadership in India's transmission and distribution segments

Adani Transmission Limited
Integrated Annual Report 2020-21

adani
Transmission

Forward-looking statement

At Adani Transmission Limited (ATL), we began our integrated reporting <IR> journey in FY 2018-19 in an endeavor to provide transparent and holistic communication to our stake holders. This is our third Integrated Report in which we continue to demonstrate how ATL creates long-term value for its stakeholders. Through this Report, the Company has disclosed its financial and non-financial performance through FY 2019-20 with information on governance, strategy, performance and outlook. The key non-financial aspects comprise the Company's operations and Environmental, Social and Governance(ESG) performance.

The statutory section of the report is an account of the financial, risk and capital management disclosures supported by annual financial performance of material subsidiaries and consolidated structured entities. The ESG section provides information regarding stakeholder relationships, material matters, risks & opportunities, and forward-looking strategy.

Contents

We aspire to maintain our enterprise as India's largest private integrated smart energy service provider and infrastructure company, driven by human-centered technology-led growth, expansion and operational excellence.

Our priorities

- Safe and secure business operations
- To be a fully digital utility with agility and adaptability of business processes for business continuity
- Ensure timely accomplishment of targets and sustained livelihood of directly and indirectly dependent workers and their families
- Maintain 25% market share in India's TBCB transmission bids
- Enhance business process efficiencies in the T&D business leading to customer affection
- Build business sustainability through technology-led innovative business models and business excellence
- Digitalise business processes for scalability, agility and resource optimisation
- Contribute to 'greening the grid'

CORPORATE INFORMATION

Adani Transmission Limited.

The fastest growing and the largest private transmission & distribution company in India.

Redefining the sector.

Enhancing value for its stakeholders.

Our business

The Adani Group started its journey in the power transmission sector in 2006, long before Adani Transmission Limited (ATL) was formally established. This was necessitated by the requirement to evacuate power from Adani's Mundra thermal power plant. Integrated in 2013, Adani Transmission Limited (ATL) is responsible for handling the commissioning, operations and maintenance of electric power transmission systems. ATL is the holding company that comprises a portfolio of about 18,801 circuit kilometers of transmission lines and 36,766 MVA of power transformation capacity that range from 132 to 765 kilovolts of HVAC systems and +/- 500 kilovolts of HVDC system.

About the Adani Group

Adani Transmission Limited belongs to the USD 91 Billion (as of 31st March, 2021) Adani Group, an Indian multinational conglomerate headquartered in Ahmedabad, Gujarat. Founded in 1988 by Gautam Adani, it commenced as a commodity trading business, with the flagship company being Adani Enterprises Limited (previously Adani Exports Limited). The Group's diversity of businesses includes logistics, agri-business, real estate, defence & aerospace, financial services, energy and resources. The Adani Group constituents comprise the companies given below.

Adani Enterprises Limited

Adani Enterprises Limited (AEL) is an incubator that converts opportunities into thriving businesses; it establishes new businesses in the infrastructure and energy sectors. Since listing in 1994, it has consistently enhanced value – maximisation of returns for stakeholders and proactively participating in nation building. AEL broadened its presence across key industries to emerge market leader and in sectors of national importance.

Adani Ports & SEZ Limited

Nearly 25% of the cargo movement in the country is accounted for by Adani Ports and Special Economic Zone Limited (APSEZ), the largest commercial ports operator in India. APSEZ is India's largest port developer and operator comprising 12 ports and terminals and 498 MMT of augmented capacity. The Company also possesses the largest container handling facility in India. Nearly 67% of the company's capacity is on the west coast of India and 33% on the east coast. APSEZ's domestic ports are in seven maritime states (Gujarat, Goa, Kerala, Andhra Pradesh, Maharashtra, Tamil Nadu and Odisha); ports in Vizhinjam and Myanmar are under construction. The ports at APSEZ are equipped to handle diverse cargo (dry, liquid, crude and containers). The Company is backed by a young dynamic team, providing end-to-end logistics solutions, operational excellence, low-cost operations and synergies through acquisitions.

Adani Power Limited

Adani Power Limited (APL), is the largest private thermal power producer in India. The Company's power generation capacity stands at 12,450 MW comprising thermal power plants in Gujarat, Maharashtra, Karnataka, Rajasthan and Chhattisgarh and a 40 MW solar power project in Gujarat. APL was the world's first company to set up a coal-based supercritical thermal power project registered under the Clean Development Mechanism (CDM) of the Kyoto protocol. Being an entrant to power generation in 2006, the Company leveraged the project management skills of the Adani Group to set up its first power plant at Mundra.

Adani Green Energy Limited

With a portfolio of solar and wind assets of 3,520 MW operational capacity, Adani Green is the largest listed pure-play renewable power producer in India. It also emerged as the world's top solar developer in an independent study (Mercom, August 2020) and aims to scale its infrastructure to produce 25 GW by 2025.

Adani Total Gas Limited

Adani Gas Limited supplies the Piped Natural Gas (PNG) to the industrial, commercial & residential customers and Compressed Natural Gas (CNG) to the transportation sector. The company has set up city gas distribution networks in Ahmedabad and Vadodara in Gujarat, Faridabad in Haryana and Khurja in Uttar Pradesh. In addition, the development of Allahabad, Chandigarh, Ernakulam, Panipat, Daman, Dharwad and Udhamsingh Nagar gas distribution was awarded to the consortium of Adani Gas Limited and Indian Oil Corporation Limited.

Presence

Adani Transmission Limited (ATL), headquartered at Ahmedabad in Gujarat, is the largest private sector power transmission and distribution company in India. The company is present across 12 states. ATL owns and operates various High voltage AC transmission lines and substations of 132kV, 220kV, 400kV and 765kV voltage level as well as High Voltage DC transmission lines and substations of +/- 500kV voltage level. ATL had ~13,027 ckt km of operational transmission lines and around 18,455 MVA of power transformation capacity as on 31st March, 2021. The company is also serving more than 3 Million customers through its distribution business in Mumbai, the financial capital of India.

Objective

The aim of ATL is to address the vast potential in India's transmission sector, setting up 20,000 circuit km of transmission lines by 2022. The company intends to sustain network availability corresponding to the highest global standards.

Subsidiaries

Adani Transmission Limited comprises the following subsidiaries:

- Adani Transmission (India) Limited (ATIL)
- Hadoti Power Transmission Service Limited (HPTSL)
- Raipur-Rajnandgaon-Warora Transmission Limited (RRWTL)
- Sipat Transmission Limited (STL)
- Chhattisgarh-WR Transmission Limited (CWRTL)
- Maharashtra Eastern Grid Power Transmission Company Limited (MEGPTCL)
- Maru Transmission Service Company Limited (MTSCL)
- Western Transco Power Limited (WTPL)
- Western Transmission (Gujarat) Limited (WTGL)
- AEML Infrastructure Limited
- WRSS XXI (A) Transco Limited (WRSS XXI (A))
- Arasan Infra Private Limited (AIPL)
- Sunrays Infra Space Private Limited (SISPL)
- Adani Transmission Bikaner Sikar Private Limited (ATBSL)
- Adani Transmission (Rajasthan) Ltd. (ATRL)
- Alipurduar Transmission Limited (ALTL)
- Aravali Transmission Service Company Ltd (ATSCL)
- Barmer Power Transmission Service Ltd. (BPTSL)
- Bikaner Khetri Transco Limited (BKTL)
- Fatehgarh- Bhadla Transmission Limited (FBTL)
- Ghatampur Transmission Limited (GTL)
- Jamkhambaliya Transco Limited (JKTL)
- Kharghar Vikhroli Transmission Private Limited (KVPTL)
- Lakadia Banaskantha Transco Ltd (LBTL)
- North Karanpura Transco Ltd. (NKTL)
- Obra-C Badaun Transmission Ltd. (OBTL)
- Thar Power Transmission Service Ltd (TPTSL)
- Power Distribution Services Limited (PDSL)
- Adani Electricity Mumbai Limited (AEML))
- Adani Electricity Mumbai Infra Limited
- AEML SEEPZ Limited
- Warora-Kurnool Transmission Limited (WKTL)
- Adani Transmission Step-One Limited (ATSOL).

Partnership

The company sold a 25.1% stake in AEML for ₹32 Billion to marquee investor Qatar Investment Authority. With its headquarters in Doha and a subsidiary in New York (QIA Advisory), QIA's structure is built to operate at the highest levels of global investing. Adhering to the strictest financial and commercial disciplines, QIA maintains a strong track record of investing in various asset classes, including listed securities, property, alternative assets and private equity in all the major markets globally.

People resource

The human capital at Adani Transmission Limited stood at 11,922 employees as of 31st March, 2021, with an addition of 179 employees in FY 2020-21 and 23% of employees accounting for engineers and professionals. The average age of employees stood at 44. The share of employees retained by ATL in FY 2020-21 stood at 94.87%, with 88% employees working in the Company for more than five years.

Credit rating

International - Obligor Group

- Fitch provided a credit rating of BBB-/ Negative on the dollar bond.
- S&P provided a credit rating of BBB-/ Stable on the dollar bond.
- Moody's provided a credit rating of Baa3/ Negative on the dollar bond.

International – US Private Placement

- Fitch provided a credit rating of BBB-/ Negative on the dollar bond, with an underlying rating of BBB.
- Moody's provided a credit rating of Baa3/ Negative on the dollar bond.

International - AEML

- Fitch provided a credit rating of BBB-/ Negative on the dollar bond.
- S&P provided a credit rating of BBB-/ Stable on the dollar bond.
- Moody's provided a credit rating of Baa3/ Negative on the dollar bond.

Domestic

- India Ratings provided a credit rating of Ind AA+/ stable on ATL's NCD.

The following are SPV ratings provided by reputed rating agencies to subsidiaries of Adani Transmission Limited.

Subsidiary company	Rating agency	Rating	Outlook
ATL	India Ratings	AA+	Stable
AEML	India Ratings	AA+	Stable
WTGL	India Ratings	AA+	Stable
WTPL	India Ratings	AA+	Stable
MTSCL	CARE	A	Stable
ATSCL	CARE	A	Stable
ATBSPL	India Ratings	AA-	Stable
FBTL	CARE	A-	Stable
NKTL	Brickwork	A-	Stable
OBTL	Brickwork	A-	Stable
ALTL	India Rating	AA+	Stable

Acquisitions

- ATL acquired transmission lines from KEC, Reliance Infrastructure Limited, GMR and Kalpataru Power Transmission Limited, which were integrated successfully.
- ATL also acquired an under-construction asset from Essel Infraprojects Limited.
- The Company acquired power distribution business servicing Mumbai with more than 2.5x revenue potential and a huge consumer base.

Financial review, FY 2020-21

381% growth in market capitalisation in FY 2020-21	~18% EBITDA CAGR in FY 2015-16 to FY 2020-21	74% dollarised debt (fully hedged) in FY 2020-21 from 10% in FY 2015-16	87% debt maturity of more than 5 years in FY 2020-21 from 12% in FY 2015-16

Corporate social responsibility

Adani Transmission is engaged in a number of community development projects (implemented through Adani Foundation). Adani Foundation has been striving to create sustainable opportunities for marginalised communities for over two decades, touching 2,410 villages in 18 States across India. Adani Transmission reported a CSR expenditure of ₹25.26 Crore in FY 2020-21, covering quality education, sustainable livelihoods development, health interventions and rural infrastructure. The company also implemented four special projects (Saksham, Swachhagraha, SuPoshan and Udaan).

Operational highlights, FY 2020-21

9,926 ₹ Crore, Revenue from operations	30,624 ₹ Crore, Fixed asset base	4,234 ₹ Crore, Operational EBITDA	~ 13,027 Operational Ckt km, Transmission line length
18,455 Operational MVA, power transformation capacity	33 Operational substations	99.87 %, Transmission system availability	99.9934 %, Distribution supply reliability (Average Service Availability Index)

Our distinctive culture

Passion
Performing with enthusiasm and energy

Results
Consistently achieving goals

Integration
Working across functions and businesses to create synergies

Dedication
Working with commitment in the pursuit of our aims

Entre-preneur-ship
Seizing new op-portunities with initiatives and ownership

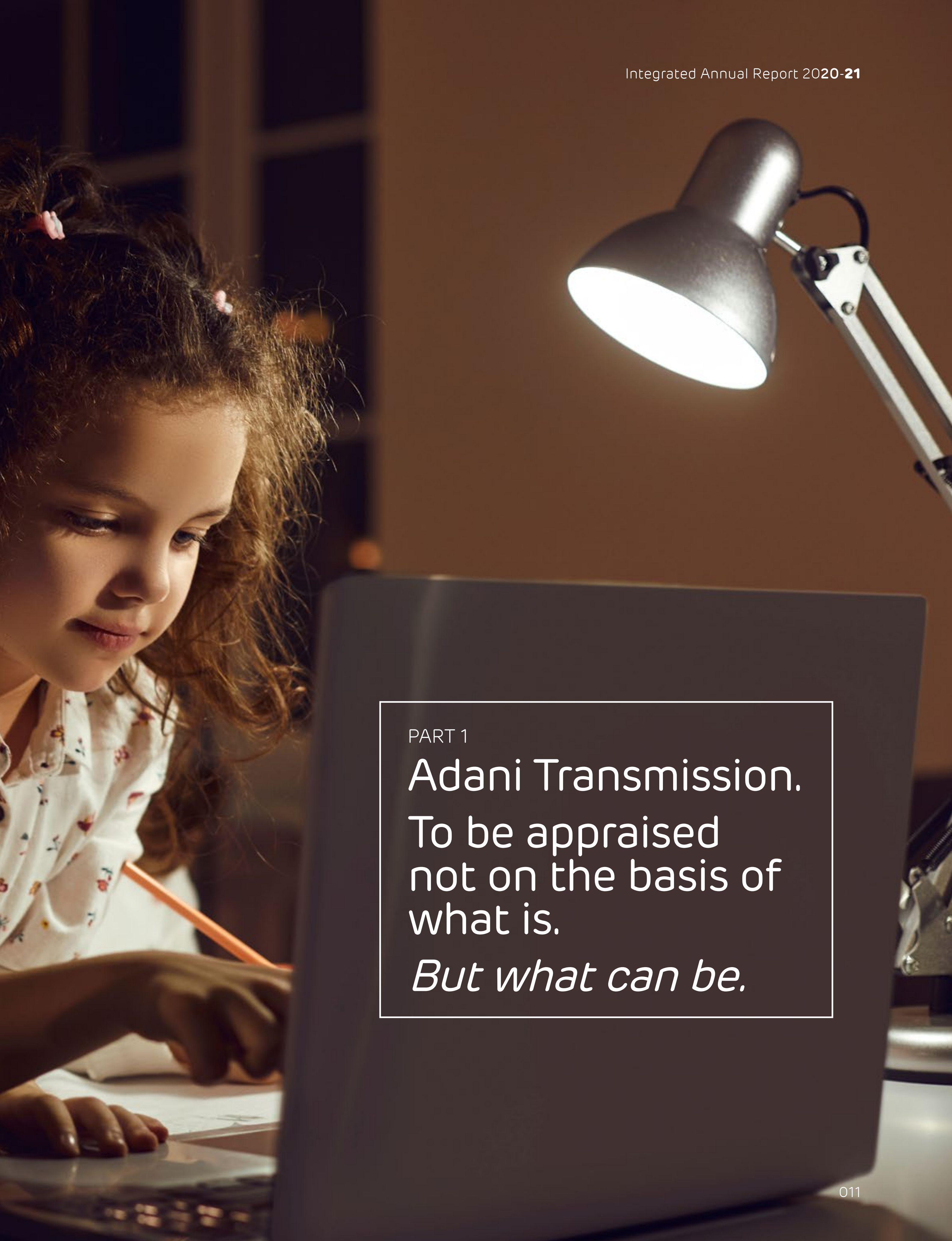
Key achievements, FY 2020-21

- Acquired Warora Kurnool Transmission Limited (line length ~1756 ckt km) from Essel Infraprojects Limited at an Enterprise Value of ₹~3370 Crore.
- Acquired Alipurduar Transmission Limited* (line length ~650 ckt km) from Kalpataru Power Transmission Limited at an Enterprise Value of ₹~1300 Crore.
- Won two projects (MP packages 1 and 2) with a line length ~1525 ckt km under tariff -based competitive bidding (Letter of Intent awaited).
- Completed the first GIS substation of 950 MVA, 400/220/132 kV at Badaun in March 2021^.
- Operationalised transmission line of 775# ckt km.
- Completed capital expenditure of 3,016 Crore.
- Designed India's first 765kV D/C transmission tower with Double Delta configuration.
- Received certifications for nine management systems (ISO 9001, ISO 14001, ISO 45001, ISO 50001, ISO 55001, ISO 27001, ISO 22301, ISO 27031 and ISO 26000) under Integrated Management System initiative.
- Managing Director and Chief Executive Officer signed the Biodiversity Policy and joined India Business and Biodiversity Initiative (to integrate bio-diversity in its systems).

*49% stake. ^Substation charged on 2nd April, 2021. # (including elements of GTL, FBTL, OBTL project & AEML – Transmission)

Awards and recognitions, FY 2020-21

- Received Single-use Plastic-Free certificate from CII for 3 SS (Mundra HVDC, Mohindergarh HVDC and Koradi SS) and Adani Dahanu Thermal Power Station (ADTPS) of AEML.
- Received Compliance 10/10 Awards: Ishwar Kailashnath Dubey received 'Excellent Performers 2020' award at 7th Annual Compliance Award Ceremony organised by Legasis Services.
- Received Compliance 10/10 Awards: Priyanka Mathane received '40 Under 40' award at the 7th Annual Compliance Award Ceremony organised by Legasis Services.
- ADTPS received Best Boiler User Award by Labour Department, Government of Maharashtra, in Boiler India 2020.
- ADTPS received RBNQA Performance Excellence Trophy - 2019.
- ADTPS received a patent for 'Testing Kit for Digital Control System cards and 'A movable and/or compact jig for isolator testing.'
- ADTPS received a certificate for the assessment of claims on zero waste to landfill for the assessment period 1st January, 2020 to 31st January, 2021.
- ADTPS was awarded winner of Excellent Energy Efficient Unit in the 21st National Award for Excellence in Energy Management 2020 from CII.
- ADTPS was declared National Energy Leader for getting the Excellent Energy Efficient Unit Award for three consecutive years.
- ADTPS got the first rank in 15th State Level Award for Excellence in Energy Conservation and Management from MEDA.
- AEML-Transmission was declared winner of the 2nd edition of Competition on Best Practices in Occupational Health & Safety. The Best OHS practice of AR Based Mobile Safety Application for EHV Substation Operation Management was conferred to the top four entries.



PART 1

Adani Transmission.

To be appraised not on the basis of what is.

But what can be.

INTRODUCTION

Adani Transmission is present in a sector fundamental to human existence. *Electricity.*

Electricity has evolved from being just another energy form to becoming an indispensable lifestyle support

Part one

A human being consumes a mere 97 watts of power as a part of the metabolic engine. When it comes to our economic existence we consume more than 1,000 watts in a country like India and more than 10,000 units in USA.

In view of this, there are three points to be made.

One, the larger the number of people in the world, the more electricity will be needed

Two, the more we earn, the more electricity we are likely to consume

Three, increased electricity use enhances convenience and lifestyle

The result: global energy consumption has compounded at 3% a year. Energy use has doubled every quarter of a century.

Part two

A couple of centuries ago, one needed to work 84 hours to afford one hour of artificial light.

Today, one needs to work 1.5 seconds to afford an hour of artificial light as we have graduated from candles to oil lamps to incandescent bulbs to LEDs.

In the area of air transportation, it took 109 gallons of fuel to fly one person across USA; now it takes only 24.

Similarly, the Univac could once do 15 calculations with one kilowatt second of energy; a modem processor can complete 17 Trillion calculations with the same energy.

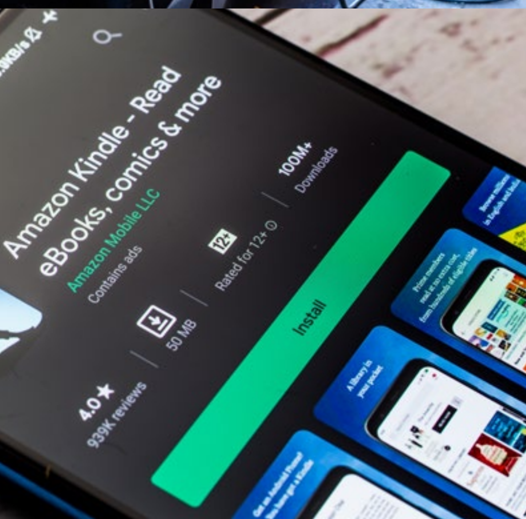
Conclusions

There are two conclusions to be made.

The world will need to invest in the most efficient technologies to sweat systems and natural resources better.

The world will need to hand over assets to the most efficient managers who generate more from less.

This observations represents the core message of this annual report.


Amazon Kindle - Read eBooks, comics & more
Amazon Mobile LLC
Contains ads
4.0★
939K reviews
50 MB
Rated for 12+
100M+
Downloads
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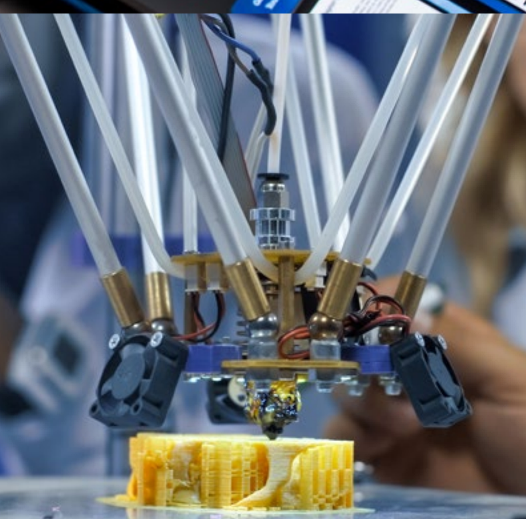



Wireless Broadband Router

LIFESTYLE

Our futuristic lifestyle. Dependent on an increasing use of one valuable resource. *Electricity*

Wherever you see modern technology, you see the effective role of electricity

Electric vehicles

This single transportation model will cause a decisive shift from conventional fuels to electricity

Metro rail networks

Increasing global offshoot of urbanisation. Driven entirely by electricity

Internet

The Information Age (Wi-fi or servers) is being driven by a 24x7 access to electricity

Paperless

Paper is out; digital interface is in. Imagine a world without Kindle!

Apps-driven

Apps are a focused, objective-oriented and outcome-driven interface – for just about everything you can think of

Automation

Electricity-driven robotisation (industrial shopfloor, domestic cleaning or even coffee vending) is an idea whose time has come

3-D printing

This electricity-based technology replicates virtually everything - at a fraction of the time, cost and inefficiency

Computers

This everything-in-one accessory (now even a school interface) is estimated to account for 8% of the residential electricity bill

Digitalisation

A greater part of the world is being driven by an immediate access to facilities, information and conveniences sustained by electricity

Convenience gadgets

When you put your legs up to enjoy the fruits of hard labour, all the appliances (oven AC, refrigerator, washing machine or even a personal massager) you buy are generally driven by electricity (accounting for more than 50% of the residential power bill)

Wearable gadgets

A greater desire to map one's health and well-being will be driven by electricity (stored or accessible)

Everything 'smart'

From cities to gadgets to homes, sustained around a foundation of electricity

Entertainment revolution

From the TV to the gaming console to the over the top (OTT) platform, all sustained by electricity

Did you know?

India's per capita electricity consumption was 16.3 units in 1947. It had increased to 1,208 units in FY 2019-20.

Source: CEA

LIFESTYLE

To see where India's electricity consumption is headed, turn to India's per capita consumption of a range of consumer appliances

India is at the bottom end in the ownership of a range of convenience-enhancing consumer appliances – but not for long if choice, incomes and aspirations continue to widen

Share of households equipped with air-conditioners (AC)

90% USA

60% China

5% India

(Source: IEA, 2018)

Share of households equipped with a washing machine

85% USA

80% China

11% India

(Source: IBEF, TVJ, PR Newswire, 2018)

Per capita electricity consumption, 2020

11,730 (kwh), USA's per capita electricity consumption

3,991 (kwh), China's per capita electricity consumption

Share of households equipped with a refrigerator

99.8% USA

90% China

29% India

(Source: Economic Times, IBEF, FEE, 2018)

Share of households equipped with laptop or computer

87% USA

53.2% China

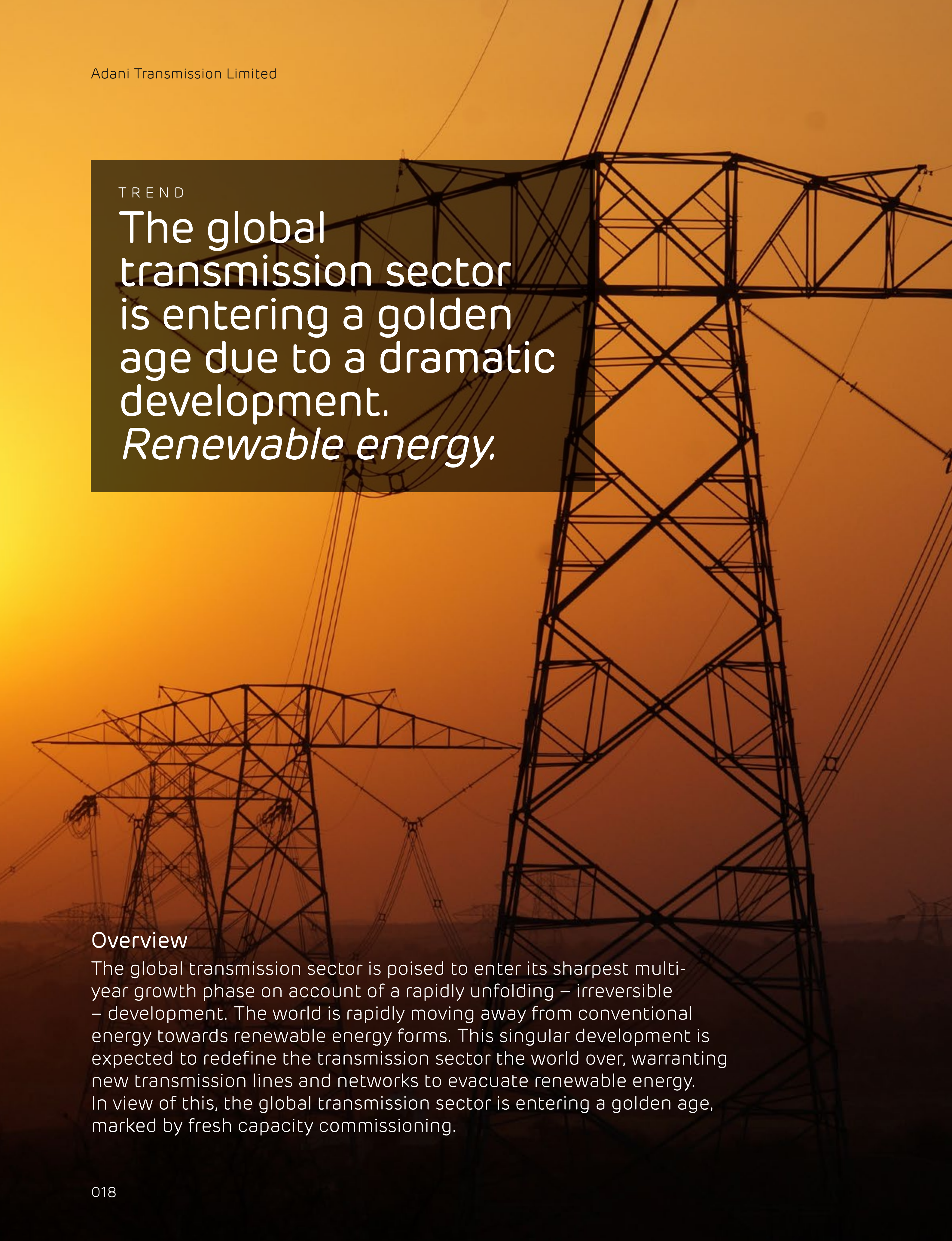
11% India

(Source: Statista, CBGA India, 2020)

3,600 (kwh), Global per capita electricity consumption

1,208 (kwh), India's per capita electricity consumption

(Source: Live Mint, Moneycontrol)



TREND

The global transmission sector is entering a golden age due to a dramatic development. *Renewable energy.*

Overview

The global transmission sector is poised to enter its sharpest multi-year growth phase on account of a rapidly unfolding – irreversible – development. The world is rapidly moving away from conventional energy towards renewable energy forms. This singular development is expected to redefine the transmission sector the world over, warranting new transmission lines and networks to evacuate renewable energy. In view of this, the global transmission sector is entering a golden age, marked by fresh capacity commissioning.

Features

There are a number of reasons why this movement towards renewable energy represents a seminal moment in the recorded history of humankind. For the first ever time, humankind has begun to access an energy form that is virtually free of cost (leaving aside the capital expenditure incurred) and limitless, creating exciting possibilities of how this could transform the way we live.

At Adani Transmission, we believe that this trend is not just irreversible; it represents a distinctive energy preference wave whose magnitude and influence can barely be discerned. We are excited about this accelerating trend for a number of reasons.

Critical: The use of renewable energy does not just represent an academic development; there is a greater recognition that its increased use is linked to a moderation in the incidence of global warming and the survival of the earth as we know it.

Grid parity: Renewable energy has achieved the scale and scope that has translated into more than mere grid parity; it has been conclusively demonstrated that the cost of renewable energy (especially solar) is attractively lower and declining when compared with thermal energy, whose generation costs can only increase.

Competitive: There is a greater acceptance that renewable energy is not only good for the world but also good for the Balance Sheet (without needing subsidy support). Besides, the use of renewable energy has extended beyond a cosmetic social obligation; it is now widely accepted that the increased use of renewable energy translates into consistently lower costs and makes users more competitive.

Predictability: One of the biggest drivers of renewable energy is its cost predictability; it is possible to estimate the prospective cost of renewable power well into the future, removing a large variable from the responsible estimation of future profitability, influencing the critical science of credit-rating.

Enduring: The consumption of renewable energy faces a large multi-year head room. Much of the world is still driven by thermal energy. This indicates that the absorption of renewable energy into our lives is at an inflection point and one can foresee years (if not decades) of renewable capacity building, going forward.

Target-driven: The subject has attracted a shared commitment by each country on how it will increase renewable energy assets and contribute to fighting climate change. India currently has a renewable energy capacity of 95 GW (April 2021) and is expected to achieve its 175 GW target of 2022 largely through the rise of solar power.

India story: India announced an ambitious target of renewable energy capacity creation - 175 GW by 2022 and 450 GW by 2030 – that could transform the proportion of renewable energy consumed in the country as a proportion of all capacity. The target is substantial considering that India possessed a total power capacity of around 382 GW towards the close of FY 2020-21.

Consumer-driven: The trend towards renewable energy is not only being driven top-down but also bottom-up. Several socially responsible organisations have announced their intent to turn progressively 'green'. The retail giant Amazon expects to power operations with 100% renewable energy by 2025, net-zero carbon emissions by 2040 and launched a USD 2 Billion Climate Pledge Fund to back visionary companies whose products and services facilitate a low-carbon future. Google became carbon-neutral in 2007 and in 2017 the first company of its size to match 100% of its global, annual electricity consumption with renewable energy. The company intends to completely decarbonise its electricity supply and operate 24/7 carbon-free energy everywhere by 2030. Microsoft has been carbon-neutral across the world from 2012 and commits to emerging carbon-negative by 2030.

Adani Transmission and renewable energy

Adani Transmission is contributing to the development of renewable energy by transmitting green power across regions and states. Around 1,455 ckt km and 5,500 MVA transformation capacity of ATL is dedicated to the transmission of green power.

Adani Group and renewable energy

Adani Green Energy Limited, a company belonging to the Adani Group, intends to emerge as the world's largest solar generation company in the private sector by 2025 and the world's largest renewable energy company in the private sector by 2030. Adani Transmission Limited's distribution business intends to access and supply 30% of Mumbai's needs with renewable energy by 2023.

Overview

Adani Transmission Limited. Right sector. Right place. Right time.

Overview

India is not just another electricity market. It is unique in a number of ways, which makes a long-term presence in this market imperative for companies seeking sustainable growth and enhanced value. India is an attractive market for generation, transmission and distribution sector investments. The power sector attracted USD 15.23 Billion in foreign direct investment since 2000 and USD 0.67 Billion in FY 2019-20; FDI in the country's power sector accounted for 3% of all the FDI in the country since 2020. We believe that the more India consumes electricity, the stronger the long-term prospects for players across the power sector value chain.

Consumption drivers

India is a compelling long-term electricity investment destination for a number of reasons.

1

Unique

India is unique among large global electricity markets; it is possibly the only instance of a country that is large (third largest global electricity consumer) and yet under-consumed (less than 1500 kwh consumption per capita) – the evidence of a considerably mature market by size but immature by per capita consumption, which indicates multi-year consumption growth prospects

2

Maturity mix

India may be one country by geography but comprises a number of 'markets' in one – a mature market seen in large metropolitan cities, immature market in Tier-2, 3 and 4 cities cum towns and a relatively untouched electricity consumption market across its vast rural sweep, accounted by 65.5% of its population (Source: Trading economics, 2019) – possibly the largest such consumption market in any country. This indicates that even as some markets within the country mature, there would be others entering the consumption curve, holding out national growth prospects well into the long-term

3

Economic proxy

India is the world's seventh largest economy and projected to emerge as the third largest by 2030. It has been amply demonstrated that economic growth is built around the foundation of abundant and viable power infrastructure (generation, transmission and distribution); in such an environment, economic growth and power sector growth feed off each other

4

Inflection point

India stands at the cusp of attractive growth marked by the convergence of multiple inflection points – the country's transmission sector is perched at the point of significant growth; the country's generation (renewable) segment is emerging as a global case study while its distribution sector is positioned at a point of prospective reform

5

Reforms

The Indian government announced a slew of reforms directed at enhancing the systemic efficiency of its power sector across the generation, transmission and distribution segments. These reforms have set the stage for disproportionate sectorial growth across the decade. In line with this, the government permitted 100% FDI in the renewable energy, electricity, and power generation and distribution sectors

6

Power for All

India formally announced linking all villages to 24x7 electricity in 2020, commencing an attractive chapter in its history. Following the completion of this phase, the country is now expected to focus on strengthening this existing network through line upgradation or replacement

7

Replacement demand

In addition to the demand for greenfield transmission lines, there will be an on-going appetite for the replacement of legacy transmission lines of low demand or multi-decade existence in favour of superior technology variants.

8

Global warming

Global warming appears irreversible, making the use of artificial cooling and refrigeration necessary in several parts of India, increasing electricity offtake

9

Renewable energy scale

A good insight into the kind of scope resident within the country's transmission sector is evident from the government's national ambition to install 450 GW of renewable energy capacity by 2030 compared with only 95 GW (April 2021). This indicates that 80% of the target is to be covered in the next nine years, warranting substantial downstream investments in greenfield transmission lines to evacuate renewable energy. The Indian renewable energy sector offers investment opportunities of up to USD 30 Billion a year for the next decade and beyond.

10

Population and demographics

India is expected to emerge as the most populous country by 2027; its largest annual population increment is expected to remain the highest in the world for years on end. Besides, India accounts for an average age of 29, making it one of the youngest large countries as well (average age of 38 in China and 38 in USA), a positive multi-decade foundation for perpetually increasing electricity consumption. As a result, India's share of total global primary energy demand is set to increase from 6% to 11% by 2040.

11

Growing private sector role

In India, the total installed capacity matrix is almost equally distributed between the Government and private players, with the Government accounting for a little more than 50% and private players owning a little less than 50% of India's total installed capacity. However, the proportion of the private sector is growing, widening the opportunity landscape and accelerating sectorial growth

12

Consumption engine

India is extensively under-consumed in the personal ownership of a number of electricity-driven gadgets that enhance lifestyles. As per capita incomes rise, the offtake of these gadgets is expected to increase, catalysing electricity consumption

13

New nodal points

Even as India completed one phase in existence that connected existing points of generation and consumption, a completely new market emerged – linking new points that generated renewable energy with existing or new points on the consumption landscape – that created an unprecedented market for the evacuation of green energy

The ATL overview

During the last decade, ATL has made substantial investments in electricity transmission assets designed to generate secured long-term revenues. Besides, the company acquired a distribution company servicing electricity consumer needs in India's financial capital (Mumbai). We see these investments generating a first mover's advantage in terms of presence, financial returns, industry familiarity and terrain experience – a robust growth foundation for the foreseeable future.

Did you know?

Global electricity consumption continues to increase faster than the global population, leading to an increase in the per capita electricity consumption (Source: International Energy Statistics).

Global electricity consumption has increased faster than energy consumption. Between 1980 and 2013, the world's annual electricity consumption rose from 7300 TWh to 22,100 TWh. During the twenty first century, global electricity consumption has seen even faster growth, averaging an annual increase of 3.4%, 1.2 percentage points higher than average annual growth of energy consumption.

In 2020, India consumed nearly 40% less electricity per capita than the US consumed in 1950 (1990 kWh), a trend that likely to correct now faster than ever. India reported the second largest increase in global primary energy consumption in 2019 (Source: BP Statistical Review)

Why ATL is optimistic that India's transmission and distribution segments are at an inflection point

Overview

At Adani Transmission, we recognise that even as the transmission and distribution sectors have been in existence in India for more than a century, these segments of the country's power sector are at an inflection point.

This inflection point has been marked by government reforms in both segments with the objective to strengthen the country's electricity infrastructure, enhance electricity availability and accessibility, stimulate electricity demand and, in doing so, catalyze the growth of the Indian economy.

In view of this inter-connectedness there is a growing recognition of the importance of the sustained viability of the transmission and distribution sectors.

Sectorial optimism

There is a growing optimism related to the robust growth of the transmission and distribution segments of the electricity sector in India for a number of reasons.

Transmission sector headroom

In every single five-year block from 1992 onwards, the growth in India's transmission line capacity (ckt) has been exceeded by growth in the country's power generation capacity (MW). In the 2012-2017 period, national generation capacity grew 64%; transmission capacity grew 22%. The result is that India suffers a low MVA/MW ratio (2.3x compared with 7.0x globally). As per internal analysis, this skew only now appears to be correcting itself, creating a ₹8.2 Trillion sectorial opportunity until FY 2028-29. An internal study indicates that India's transmission line capacity of 4,41,821 ckt km is likely to grow to 828,000 ckt km by 2034, implying that what the country has achieved in terms of transmission capacity across more than seven decades is expected to be more than replicated in only a decade-and-a-half.

Energy efficiency

There is a greater premium on energy efficiency today than ever. The National Mission for Enhanced Energy Efficiency (NMEEE) aims to improve energy efficiency in India through conducive regulations and policies. Besides, the emergence of Industry 4.0 and voluntary private sector commitments are expected to drive change within the regulatory framework of Perform, Achieve and Trade (PAT). The need for energy efficiency is being driven through investments in modern transmission and distribution systems.

Countering climate change

There is a global movement towards a low carbon environment with the electricity network – generation, transmission and distribution - making it happen through additional investments in modern technologies.

Sectorial movement

India is expanding and overhauling its T&D network, strengthening the need for modern transmission systems. Besides, funding under the Integrated Power Development Scheme is assisting state distribution utilities (discoms) moderate their losses in addition to being incentivised for lower T&D losses, creating a professional and competitive sectorial environment.

Catch up

Until 2015, there was a disproportionately larger focus on the country's power generation segment, resulting in an imbalance between its power generation and evacuation (transmission) capacities. During the last few years, the country has embarked on a concerted attempt to play catch up by plugging the gap of the past.

Renewable energy

The ambitious aspiration of the Indian government to commission 450 GW of renewable energy by 2030 has created room for sizable addition to the country's transmission capacity.

Per capita consumption

India's per capita consumption of electricity has been estimated at around 1,149 kwh compared with the corresponding global average of 3,600 kwh and consumption of 11,730 kwh in advanced countries like USA, indicating extensive pent-up consumption in India and the likelihood of multi-decade consumption growth; even a marginal increase in per capita electricity consumption could warrant a substantial addition in power transmission and distribution infrastructure.

Private sector role

In recent years, private participation in the transmission segment has increased significantly, with a share of 7.5% in total line length during FY 2019-20, up from 3.3% in FY 2011-12, and a share of 4% in substation capacity, up from a mere 0.5%.

TBCB-isation

The country is rapidly evolving from the regulated form of transmission projects allocation to tariff-based competitive bidding, which provides a level playing field to private and public sector players and for competitive players to win projects in a transparent manner.

Distribution reform

The reforms in the country's distribution sector are at an early stage; a model that has been applied to the Union Territories is likely to extend to other urban clusters, which could accelerate

privatisation, systemic efficiency and sectorial viability.

Mix of markets

India comprises a mix of 'markets'; some transmission networks have matured while others are either yet to be connected or will require substantial capacity increase or overhaul across the foreseeable future. This diverse nature of the national market represents greenfield and brownfield opportunities across the foreseeable future.

SAARC opportunity

There is a growing opportunity to access or supply electricity to SAARC countries in the sub-continental neighbourhood, which will warrant investments in inter-country transmission connectivity.

Policy clarity

The Indian government has announced a series of reforms in the country's power sector, making them continuous, irreversible and independent of the nature of ruling parties, enhancing the confidence of Indian and international investors and lenders.

Budget FY 2020-21

The Union Budget of FY 2020-21 charted out privatisation and monetisation as twin overarching objectives, which signal an enhanced role of private enterprise in the country's power sector.

Informed

In February 2020, India achieved a milestone in its renewable energy journey following the commissioning of 11 renewable energy management centres (REMCs) that allow centralised forecasting and monitoring of renewable energy generation. The REMCs are equipped with artificial intelligence-based renewable energy forecasting and scheduling tools, which provide better visualisation and situational awareness to grid operators.

Technology

The introduction of HVDC helps transmit electricity across long distances with minimal losses. Utilities are also installing capacitor banks and STATCOMs for reactive power management and improvement of in voltage profile. The launch of digital substations based on process bus has reduced the use of control cables with the deployment of a fibre optic network. Besides, project developers are deploying LiDAR technology, drones and air cranes for the construction of transmission lines, and thermo-vision cameras and android-based applications for superior operations and maintenance. The introduction of technologies like insulated cross-arm and new configurations in transmission lines is graduating the system towards a greener approach in the transmission sector. The use of digital technologies (robotics, AI and Virtual Reality) is strengthening sectorial efficiency. There is a greater leverage of data analytics for load projections, generation planning and peak power management leading to prospects of superior service.

Sectorial climate

Global rating agency Moody's upgraded the outlook on India's power sector to stable from negative, citing the fifth consecutive month of generation growth in January 2021. Interestingly, for the first 10 months of the fiscal 2021, power generation growth declined 2.9% year-on, compared to earlier expectations of a minimum 4-5% decline; renewable energy generation (excluding hydro power) grew 4.3% during the same period.

ATL: Capitalising on the sector's inflection point

Over the years, ATL has accelerated investments in the country's transmission and distribution sectors with the objective to establish a first-mover's advantage and build various economies (scale, knowledge, experience etc.).

The company addressed the scope of its sector through a uniquely integrated presence in the transmission and distribution segments, creating twin revenue engines.

The company showcased a profitable business model, validated as high margin (operational EBITDA margin ~92% for the Transmission segment) and low risk, largely insulated from changes in market cycles or risks of receivable defaults

The company trebled its transmission capacity in just five years, the fastest percentage accretion to capacity (given similar scale) in the country's transmission sector.

The company reported an attractive 35% share of TBCB bids in India's transmission sector in FY 2020-21.

The company believes that a bulge in the country's transmission sector will increase inorganic growth opportunities (through acquisitions) especially where competing transmission assets are being sub-optimally utilised or are being operated at costs higher than the sectorial standard. The company made the first acquisition in the country's power distribution sector; it accounted for seven acquisitions in the power transmission segment. The acquisitions proved value-accretive through a prudent leverage of Group and corporate synergies.

The company strengthened its business model through access to stable long-term debt synced with asset life in some cases that could be interpreted as quasi-equity; it replaced bank debt with bonds, moderating interest outflow; it initiated a robust capital management programme to sustain robust assets into the long-term.

SECTORIAL SHIFT

There is an exciting development in India's power sector. *Impending distribution segment reform.*

Overview

There is a growing recognition that reforms in India's power generation and transmission segments will need to extend to the distribution segment, covering the entire value chain for benefits to flow from one segment to another, enhancing value for the country and consumers.

There is a greater need for reform now than ever. Reforms in the country's power generation space enhanced capacity and moderated the annual peak power deficit, transforming the country from perpetual under-investment in its power infrastructure to sufficiency. Reforms in the country's transmission sector have begun to moderate transmission losses. Reforms in the country's distribution sector are now awaited to enhance last mile efficiency that could enhance value in the hands of distribution companies and consumers.

Most public sector power distribution companies in India are unprofitable, affecting their capacity to reinvest and enhance contemporariness. There is a growing traction for distribution license privatisation, which could rejuvenate these service providers towards financial liquidity, cutting-edge technologies and greater absorption of renewable energy into everyday lives.

The optimism underlying this segment of India's power sector – the last mile – is marked by various points.

Demanding consumers

There is a growing movement towards consumer-orientation across all walks of life, which needs to extend to the country's power distribution service providers.

Convenience needs

There is a greater need for distribution companies to invest in cutting-edge technologies that plug systemic inefficiencies, moderate costs and enhance consumer value.

Reforms

The Indian government initiated reforms in the distribution segment across Union Territories to facilitate the entry of private sector players. This generated operational upsides, validating the case for privatisation and subsidy reduction as the way forward.

Urbanisation

Around 35% of India lives in its urban clusters; nearly 40% of India is expected to be urban by 2030 (Source: Morgan Stanley), making India arguably the fastest urbanising country.

Renewable

Distribution companies will need to be agile and adaptable to provide renewable energy to consumers.

Consumer value

Distribution companies will need to extend from a conventional cost-plus approach and seek innovative ways to moderate distribution costs leading to enhanced consumer value.

How ATL is addressing the sectorial opportunity

ATL acquired Reliance Infrastructure Limited's integrated generation, transmission and distribution utility in FY 2018-19. The acquired company was renamed Adani Electricity Mumbai Limited (AEML). AEML's distribution network comprises 400 sq km, catering to the electricity needs of over 3 Million households from Bandra to Bhayandar on the western side and Sion to Mankhurd on the eastern side. Mumbai is among the 10 most prominent centers of commerce in the world, accounts for around 6% of India's real GDP and generates 4x per capita income of the country. AEML accounted for 61% of the company's revenues in FY 2020-21.

ATL has transformed the perception of India's T&D segment

How ATL has helped transform the image of India's transmission & distribution sector

- Sectorial perception
- Growth appetite
- Superior margins
- Valuation leadership
- Peerless credit-rating
- Pioneering achievements
- Wider market breadth
- Increased ESG focus
- Business excellence culture
- Wider professional pool
- Futuristic technologies
- Aggressive acquisition record
- Predictable projects rollout

Overview

One of the biggest contributions of Adani Transmission to its sector is that it has extended beyond its capacity to commission projects benchmarked around national requirements; it has extended to transforming the perception of the Indian power infrastructure sector in general and the power transmission segment in particular through its focus on building assets of global scale, standard and efficiency.

Perception

There was a time when India's power transmission segment was considered to be an unexciting segment, marked by single-digit growth; the sector was seen as stable but dull, dismissively referred to as a 'pensioner's sector'. This perception has largely transformed following the rapid growth and outperformance of ATL, attracting attention to the sector's headroom and sustainable potential.

Growth appetite

There was a perception that infrastructure companies would grow moderately year-on-year, largely driven by incomes generated from completed projects. ATL has transformed that perspective through rapid infrastructure build-out and scale: the company trebled transmission line capacity in just six years ending FY 2020-21, possibly the fastest capacity accretion in India's mature transmission sector.

Widening role

There was a perception that transmission sector companies would just remain that through their existence. ATL has redefined its role within its synergic boundaries. What started out as a pure transmission sector company has extended to become an integrated transmission and distribution company, one of its kind in India's power sector.

Margins

There was a perception that power infrastructure companies would report steady but thin margins. ATL has consistently delivered operational EBITDA margins ~92%, among the highest in the country's transmission segment; besides, its cost of funds has progressively declined, strengthening profitability.

Valuation

There was a perception that power transmission and distribution sector would, at best, mirror the country's economic growth, translating into low equity investor interest. ATL has transformed the face of the sector through consistent outperformance, translating into a re-rating of the sector and company on the one hand and enable the company to emerge as the most valuable in India's transmission and distribution sector (private sector).

Credit rating

There was a perception that Indian transmission and distribution companies would enjoy stable credit rating from national agencies. ATL emerged as the first Indian integrated transmission and distribution company to seek international credit rating, being classified as Investment Grade (IG) – a notch higher than the sovereign rating by Fitch and S&P, subject to the issue rating being capped at the sovereign rating of BBB- and Baa3 by Moody's.

Long-termism

In a transmission segment where businesses were conventionally grown with medium-term debt, ATL introduced a sense of pioneering innovation. The company reinvented the concept of debt tenures within India's power transmission sector, introducing a 30-year paper, the first of its kind. The company also completed the first US Dollar bond issuance of USD 1 Billion by a private integrated utility (AEML) from India in February 2020.

Market breadth

In the past, the country's transmission segment was marked by low entry and exit. Following the entry of ATL and subsequent outperformance, the number of industry players increased, widening market breadth.

ESG

In a sector where the role of ESG was often viewed as optional, ATL has enhanced the role of ESG by making it integral to its existence and visibility, enhancing sectorial respect. The company extended compliance beyond the statutory through a commitment to Growth with Goodness. This manifested in an overarching commitment to the most demanding ESG standards. ATL participated in Corporate Sustainability Assessment (CSA) conducted by S&P Global for the year 2020, ATL has been ranked 41st among the 283 companies in Electric Utility companies in the world.

Business excellence

In a sector that drew largely on captive people resources and conventional practices, ATL has demonstrated an overarching commitment to business excellence, marked by global quality systems, certifications, practices and technologies, making it effectively a globally benchmarked company selecting to operate out of India.

Professionals

There was a time when most professionals employed in the country's transmission and distribution sectors were either home-grown or accessed from within the sector. ATL broadened and enriched the industry pool through cross-sectorial recruitment, attracting fresh perspectives in a mature sector.

Technologies

In a business where assets were upgraded only incrementally and technologies remained virtually unchanged, ATL has played the role of an active catalyst. The company introduced a number of technologies for the first ever time in India, raising the national bar. The company intends to deepen investments in unmanned sub-stations, drones, robotic arms and hot line maintenance, which represent cutting-edge global standards; it was one of the first utilities in India to invest in advanced Supervisory Control and Data Acquisition (SCADA) technology and Geographical Information System (GIS).

Acquisitions

The country's power transmission and distribution segments relied completely on organic growth. ATL infused the exciting element of inorganic growth; the company acquired transmission networks of competing companies and acquired the Mumbai distribution license (the largest transaction of its kind in India).

Predictable rollout

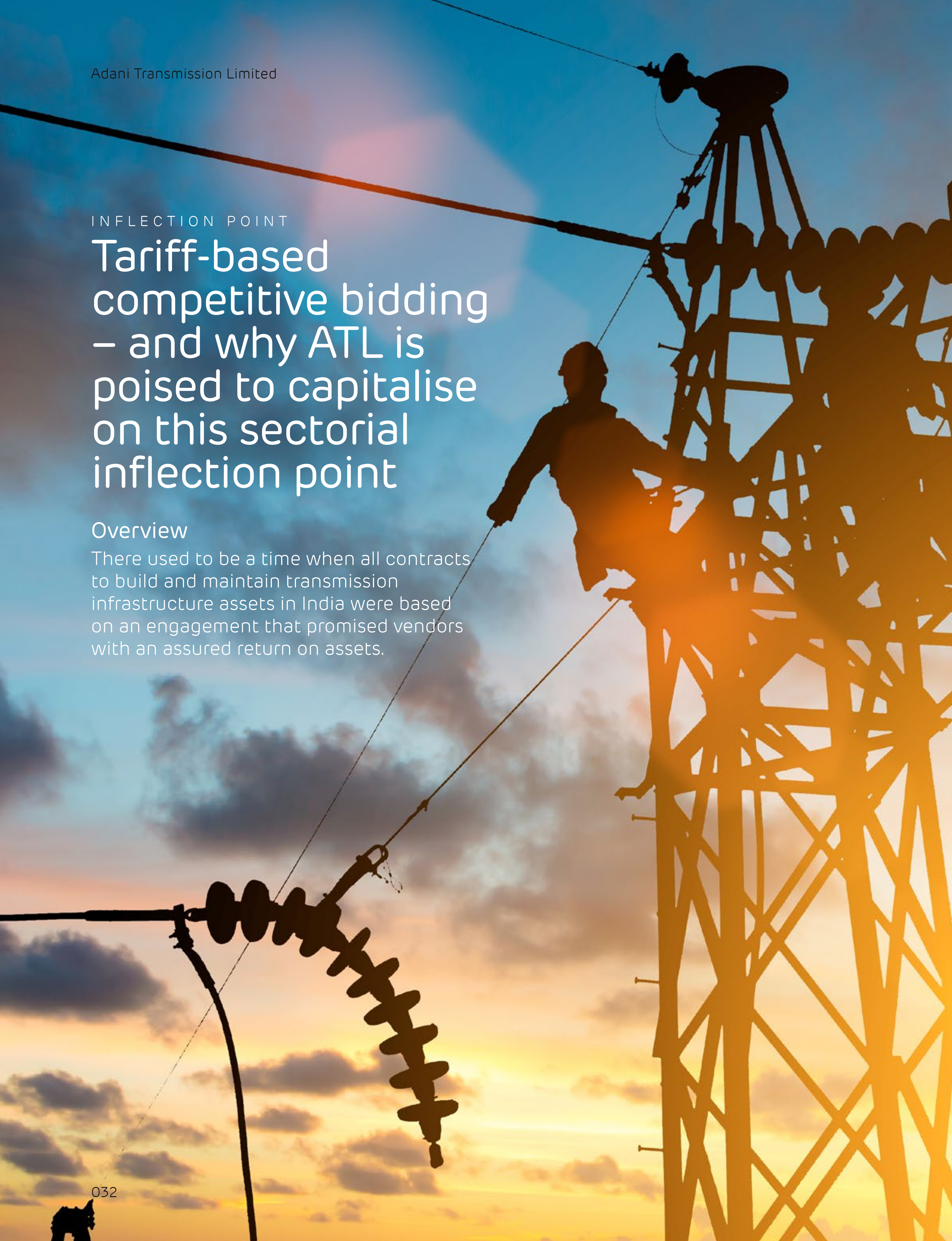
In a sector marked by terrain challenges, projects delay and increases beyond budgeted costs were common. ATL infused a sense of project rollout predictability – in terms of time, quality and cost management – that has enhanced sectorial respect.

INFLECTION POINT

Tariff-based competitive bidding – and why ATL is poised to capitalise on this sectorial inflection point

Overview

There used to be a time when all contracts to build and maintain transmission infrastructure assets in India were based on an engagement that promised vendors with an assured return on assets.



In 2006, the National Tariff Policy introduced competition for the selection of transmission developers in the national and state markets through the tariff-based competitive bidding (TBCB) model over the conventional cost-plus approach.

In 2016, the National Tariff Policy mandated tariff-based competitive bidding for projects launched by the Centre and State.

Under the tariff-based competitive bidding norms, developers quoting the lowest average transmission tariffs for a proposed project are provided the opportunity to set it up, as against the erstwhile regulated tariff mechanism where projects were set up through a cost-plus model and were entitled to assured returns.

We believe that the TBCB model is responsible for a sea change in the country's transmission sector.

The objective of this change is to provide electricity to Indian consumers at reasonable rates, enhance sectorial viability for infrastructure builders / deployers and accelerate private sector investment – benefiting all stakeholders.

The TBCB model has enhanced competition in a previously closed sector, widening the market.

In the TBCB environment, developers work strictly according to timelines under a transparent framework.

Transmission capacity owners and developers get an attractive return on their investments.

Discoms remain financially viable; the levelised prices discovered under TBCB are lower compared to levelised prices under the cost-plus model.

Outcomes

The increased competition has provided a wider berth for private companies to leverage their competitiveness and contribute to national benefit.

A study indicated that the TBCB projects facilitated a superior tariff price discovery and reported a decline in tariff ranging from 36% to 57% (Source: CEA, RECPTCL, PFCCL). For cost-plus bids, the tariff-to-project cost ratio ranged from 14% to 17%; in the instance of competitively derived tariffs, the ratio ranged from 8% to 10%. As an extension of this reality, tariffs derived through competitive bidding were up to 51% lower than normative tariffs for certain projects. The average reduction in project tariffs was ~31% compared to the cost-plus approach under CERC norms.

Besides, it was discovered that projects secured without competition were not only likely to prove more expensive but were often delayed beyond the maximum allotted schedule. A detailed analysis of projects awarded under a cost-plus basis (excluding the exemption provisions of the Tariff Policy since 2012) indicated that 31% projects were delayed beyond their scheduled commercial operation date (Source: Institute for Energy Economic and Financial Analysis).

Today, all Central sector projects are being awarded on a TBCB basis; a number of forward-looking states like Rajasthan, Uttar Pradesh, Madhya Pradesh and Maharasthra are moving to the TBCB format while Haryana and Punjab are coming up with thresholds for TBCB-driven projects.

ATL's TBCB-facing approach

ATL is one of the most competitive transmission infrastructure building companies in India. The company's cost per ckt km is among the lowest in the world.

This competitiveness is ideally suited to be leveraged in a TBCB-based sectorial environment where the lowest tariff bidder is awarded the project.

The compatibility of the company's competitiveness with the TBCB-based environment has been brought out by the numbers: the proportion of TBCB-based projects within the company's overall revenues has increased year-on-year across the last five years – from nil per cent of revenues in FY 2015-16 to 32% in FY 2020-21 - strengthening revenues, margins and profits.

PART 2

Adani Transmission Limited's business and performance

The multi-business Adani Group is one of the most dynamic industrial conglomerates in India.

Engaged in nation building

Enhancing stakeholder value

Enriching communities of its presence

Vision

To be a world class leader in businesses that enrich lives and contribute to nations in building infrastructure through sustainable value creation.

Values

Courage
We shall embrace new ideas and business

Trust
We shall believe in our employees and other stakeholders

Commitment
We shall stand by our promises and adhere to high standards of business

Culture

Passion
Performing with enthusiasm and energy

Results
Consistently achieving goals

Integration
Working across functions and businesses to create synergies

Dedication
Working with commitment in the pursuit of our aims

Entrepreneurship
Seizing new opportunities with initiatives and ownership

The promoter

The Adani Group has been promoted by the visionary industrialist Mr. Gautam Adani. The group was founded by Gautam Adani in 1988 as a commodity trading business, the flagship company being Adani Enterprises Limited (previously Adani Exports Limited).

The Adani Group

The Adani Group is a diversified industrial conglomerate in India with a combined market capitalisation of USD 91 Billion as on 31st March, 2021, comprising six publicly traded companies. The Group's extensive business interests across India's infrastructure sector – transport, logistics, energy and utilities – possess a proven track record of excellence in business development, construction and maintenance. The Group comprises among the largest infrastructure and utility portfolios in the world. There has been a gradual shift in the business mix from B2B to B2C with the Group engaged in agro commodities and ancillary industries, gas distribution across geographies in India, electricity distribution that powers the financial capital of India, and the airports business that will manage and develop eight airports in India. The Group is also engaged in the digital, road building, water and data centre businesses.

The scale

Most of the Group's businesses are among the largest in India, generating attractive economies of scale. Adani Green Energy Limited is among the largest renewable energy businesses in India. Adani Total Gas Limited is the largest city gas distribution business in India. Adani Ports & Special Economic Zone Limited is the largest private sector port operator in India. Adani Wilmar is the largest edible oils brand in India. Adani Transmission Limited is the largest private sector transmission and distribution company in India.

The visibility

The Adani Group comprises six publicly traded companies that were collectively valued at a market capitalisation of USD 91 Billion as on 31st March, 2021.

The positioning

The Adani Group has positioned itself as a leader in the transport logistics and energy utility portfolio businesses in India. The Group has focused on sizable infrastructure development in India with operations and maintenance (O&M) practices benchmarked to global standards.

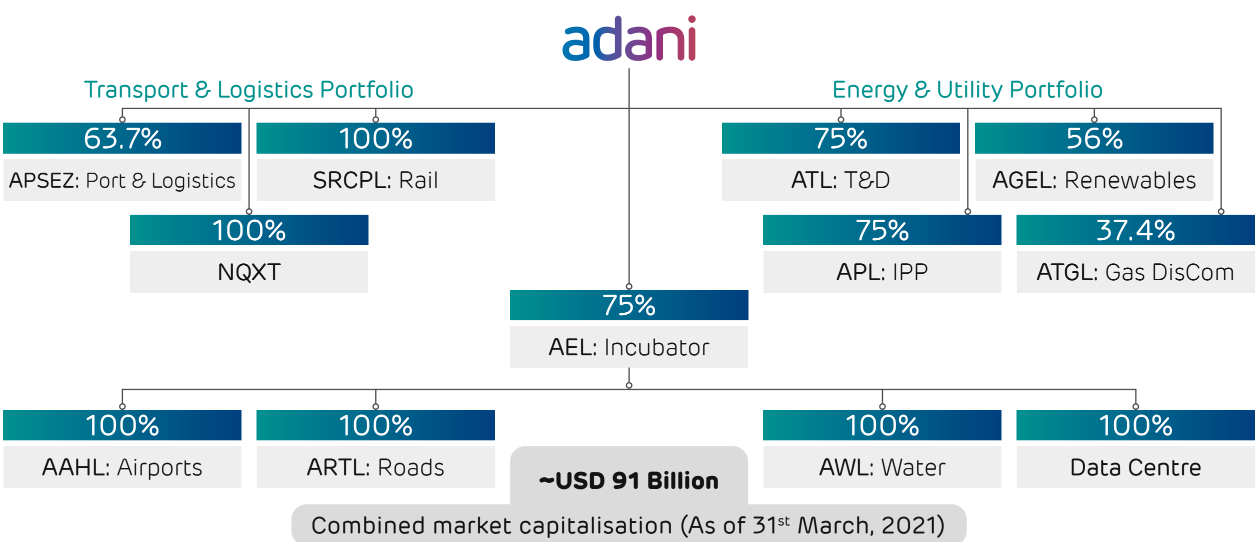
The core philosophy

The Adani Group's core philosophy is 'Nation Building', driven by 'Growth with Goodness' , its beacon for sustainable growth. The Adani Group is committed to widen its ESG footprint with an emphasis on climate protection and increasing community outreach through CSR programmes woven around sustainability, diversity and shared values.

The credibility

The Adani Group comprises four IG-rated businesses and is the only Infrastructure Investment Grade bond issuer from India.

Adani Group: A world class infrastructure & utility portfolio



Marked shift from B2B to B2C businesses

ATGL: Gas distribution network to serve key geographies across India

AEML: Electricity distribution network that powers the financial capital of India

Adani Airports: To operate, manage and develop eight airports in the country

Locked in Growth

Transport & logistics: Airports and Roads

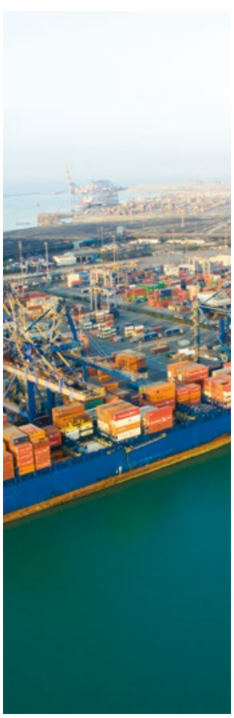
Energy & Utility: Water and Data Centre

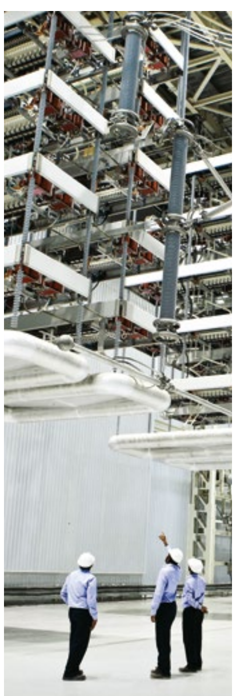
APSEZ: Adani Ports & Special Economic Zone Limited
NQXT: North Queensland Export Terminal
SRCPL: Sarguja Rail Corridor Pvt Ltd
AAHL: Adani Airports Holdings Ltd
ATL / APL / AGEL / ATGL: Adani Transmission / Power / Green Energy / Total Gas Ltd.
AEML: Adani Electricity Mumbai Ltd
ARTL: Adani Road Transport Ltd
AWL: Adani Water Ltd
T&D: Transmission and Distribution
IPP: Independent Power Producer

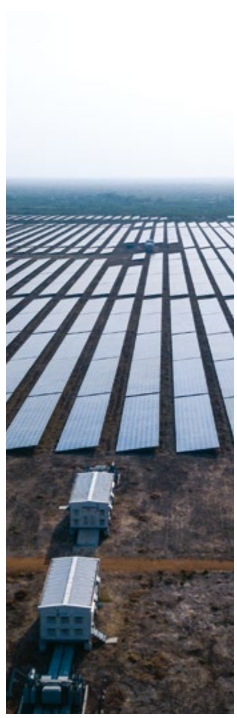
Opportunity identification, development and beneficiation is intrinsic to diversification and growth of the group

Adani Group: Repeatable & proven transformative investment model

	Phase	Development		Operations	Post operations
	Origination	*Site development*	*Construction*	*Operation*	*Capital management*
Activity	▪ Analysis & market intelligence ▪ Viability analysis ▪ Strategic value	▪ Site acquisition ▪ Concessions and regulatory agreements ▪ Investment case development	▪ Engineering & design ▪ Sourcing & quality levels ▪ Equity & debt funding projects	▪ Life cycle O&M planning ▪ Asset management plan	▪ Redesigning the capital structure of the asset ▪ Operational phase funding is consistent with asset life
Performance	▪ India's largest commercial port (at Mundra) ▪ Highest margin among peers	▪ Longest private HVDC line in Asia (Mundra to Mahendragarh) ▪ Highest transmission line availability	▪ 648 MW ultra mega solar power plant (at Kamuthi, Tamil Nadu) ▪ Constructed and commissioned in a record nine months	▪ Energy Network Operation Centre (ENOC) enables a centralised continuous monitoring of projects and installations on a single cloud-based platform	▪ In FY 2020-21, APSEZ and its joint venture AICTPL issued three bonds amounting to USD 1.55 Billion international bonds with 5-10 year maturity, elongating maturity profile and reducing the weighted average cost of capital ▪ AGEL's issuance of USD 1.35 Billion revolving project finance facility will fully fund its entire project pipeline

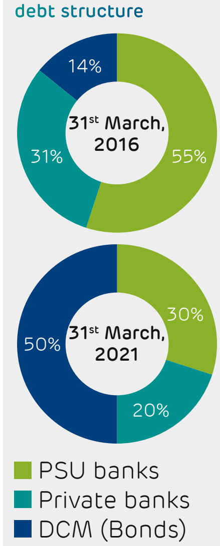






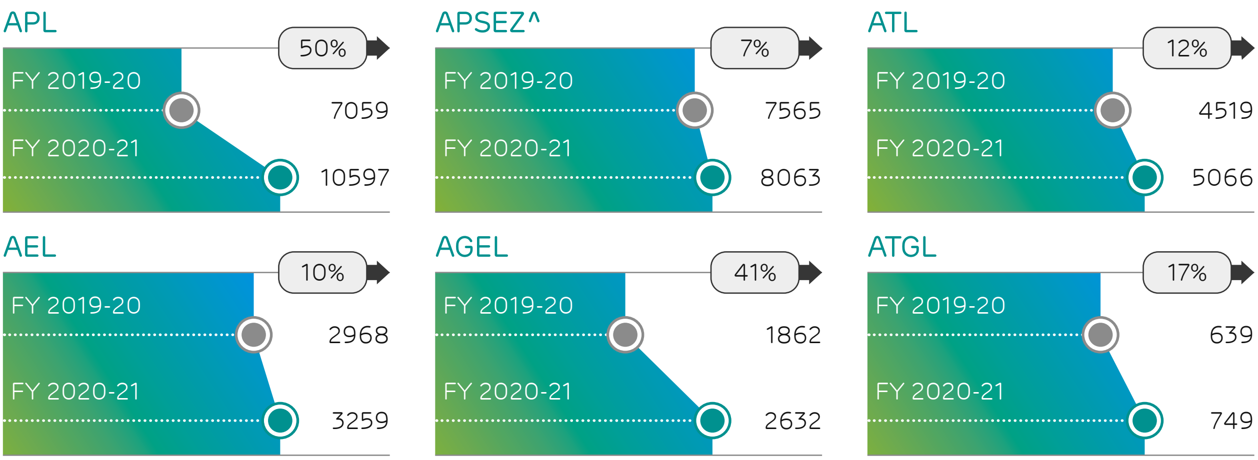
All listed entities maintain a liquidity cover of 1.2x- 2x as a matter of policy

Share of institutions in debt structure



How Adani Group companies performed in a challenging FY 2020-21

EBITDA growth

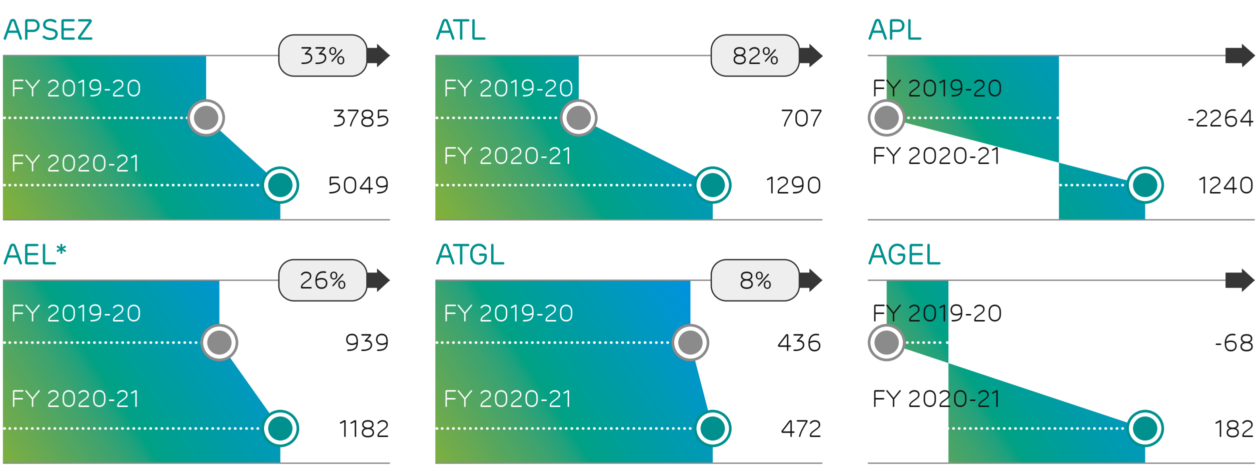


Strong growth in the consolidated EBITDA of the listed companies of the Group by 22% in FY 2020-21 demonstrates the utility nature of the businesses

- APL EBITDA improved due to improved merchant tariffs, lower imported coal prices and higher prior period income recognition
- AGEL EBITDA grew on account of increased revenue from power supply and O&M cost optimisation
- ATL EBITDA grew due to growth in power transmission EBITDA and higher regulatory income from the power distribution business
- APSEZ EBITDA growth was on account of an increase in cargo volume, operational efficiency and cost restructuring
- AEL EBITDA grew due to an increase in EBITDA from the solar manufacturing business

EBITDA includes Other Income. ^APSEZ EBITDA excludes forex gain/loss, other income and one time donation of ₹80 Crore. AEL: Adani Enterprises Limited; AGEL: Adani Green Energy Limited; APL: Adani Power Limited; APSEZ: Adani Ports & Special Economic Zone Limited; ATGL: Adani Total Gas Limited; ATL: Adani Transmission Limited

PAT growth



Combined PAT of Adani Group's listed portfolio grew 166% in FY 2020-21

- All portfolio companies registered profit after tax (PAT)
- Adani portfolio PAT grew through the pandemic, underlining the core utility nature of the businesses

**PAT for AEL excludes exceptional items*

The Adani Group platform of excellence, outperformance and leadership











The Adani Group businesses

Transport	Logistics	Energy	Utilities

The Group Adani growth platform

Betting on India	Strategic big picture	Making outsized investments in futuristic infrastructure	Investing at a competitive capital cost in a relatively low commissioning time	Creating long-term revenue visibility	Reinforcing attractive margins

The platform

India

At the Adani Group, we believe in and bet on India. We have observed that following the announcement of liberalisation in 1991, India has not just grown faster; it has compressed the GDP growth of the earlier decades into considerably fewer years for equivalent growth. For instance, the GDP growth that India achieved across nearly 60 years was replicated in the next seven years. This is precisely what is expected going ahead: India is expected to transition from a sub-USD 3 Trillion economy to a USD 5 Trillion economy in the next few years. At Adani Group, we have proactively invested in businesses that will ride the middle-income consumption engine seeking improved life quality. We have invested not on the basis of what is, but on what can be. In making disproportionate investments, we intend to shift the needle not just for the Company but for the country as a whole with the objective of widening access, reducing costs, widening the market and, in doing so, helping strengthen India.

Competitive advantage

At the Adani Group, we believe that the ability to make a significant national contribution can only be derived from a broad-based competitive advantage that is not dependent on any one factor but is the result of an overarching culture of excellence – the coming together of rich sectorial experience, timely project implementation, ability to commission projects faster than the sectorial curve, competence to do so at a cost lower than the industry average, foresight to not merely service the market but to grow it, establish a decisive sustainable leadership and evolve the Company's position into a generic name within the sector of its presence.

Relatively non-mature spaces

At the Adani Group, we have selected to enter businesses that may be considered 'maturely non-mature'. Some of the businesses can be classified as mature, based on the enduring industry presence and the conventional interpretation of their market potential; these very businesses can be considered non-mature by the virtue of their vast addressable market potential and the superior Adani Group value proposition. The result is that the Adani Group addresses sectorial spaces not on the basis of existing market demand but on the basis of prospective market growth following the superior Adani sectorial value proposition.

Outsized

The Adani Group has established a respect for taking outsized bets in select sectors and businesses without compromising Balance Sheet safety. The Group establishes a large capacity aspiration that sends out a strong message of its long-term direction. Its outsized initial capacity establishes economies of scale within a relatively short time horizon that deters prospective competition and generates a substantial cost leadership (fixed and variable) across market cycles.

Technology

The Adani Group invests in the best technology standards of the day that could generate precious additional basis points in profitability and help more than recover the additional cost (if at all) paid within a short tenure. This superior technology standard evolves into the Company's sustainable competitive advantage, respect, talent traction and profitability.

Execution excellence

The Adani Group has built a distinctive specialisation in project execution, one of the most challenging segments in

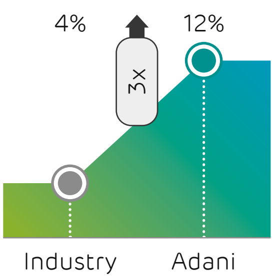
India. The Group has established benchmark credentials in executing projects faster than the sectorial average by drawing from the multi-decade Adani pool of managerial excellence across a range of competencies. This capability has resulted in quicker revenue inflow, increased surplus and competitive project cost per unit of delivered output.

Scalable financial structure
The Adani Group has created a robust financial foundation of owned and borrowed funds (the lowest cost by far for infrastructure building companies in India). This enhanced credibility makes it possible for the Adani Group to mobilise resources from some of the largest global lenders at among the lowest costs. This approach helps transform these marquee institutions from mere lenders to stable resource (fund or growth) providers for the long-term.

Ownership
The Adani Group comprises a high promoter ownership, validating a high commitment and ownership in projects.

Adani Group's outperformance

Port cargo throughput growth
(MMT)



2014	972 MMT	113 MMT
2021	1,246 MMT	247 MMT

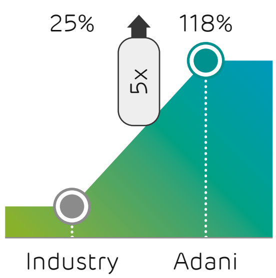
APSEZ

Highest margin among peers global

EBITDA margin: 70%[1,2]

Next best peer margin: 55%

Renewable capacity growth
(GW)



2016	46 GW	0.3 GW
2021	140 GW[9]	14.8 GW[6]

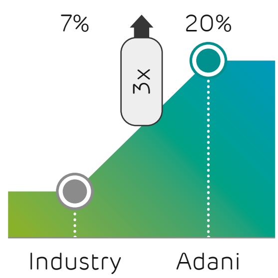
AGEL

World's largest solar energy developer

EBITDA margin: 91%[1,4]

Among the industry's best

Transmission network growth
(ckm)



2016	320,000	6,950
2021	441,821	18,801

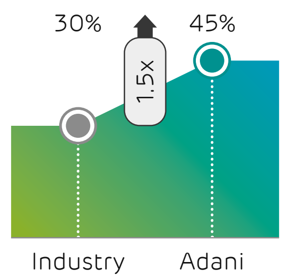
ATL

Highest network availability among peers

EBITDA margin: 92%[1,3,5]

Next best peer margin: 89%

City gas distribution[7] growth
(GAs[8] covered)



2015	62 GAs	6 GAs
2021	228 GAs	38 GAs

ATGL

India's largest private CGD business

EBITDA margin: 41%[1]

Among the best in industry

Transformative model driving scale, growth and free cashflow

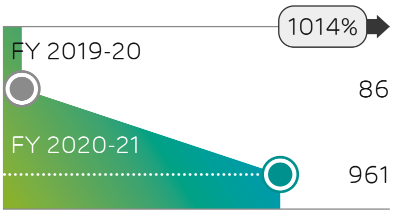
Note: 1. Data for FY 2020-21; **2.** Margin for ports business only, Excludes forex gains/losses; **3.** EBITDA = PBT + Depreciation + Net Finance Costs – Other Income; **4.** EBITDA Margin represents EBITDA earned from power supply **5.** Operating EBITDA margin of transmission business only, does not include distribution business. **6.** Contracted & awarded capacity **7.** CGD – City Gas distribution **8.** GAs – Geographical Areas - Including JV | Industry data is from market intelligence **9.** This includes 17GW of renewable capacity where PPA has been signed and the capacity is under various stages of implementation and 29GW of capacity where PPA is yet to be signed'

How Adani Group enhanced value in FY 2020-21

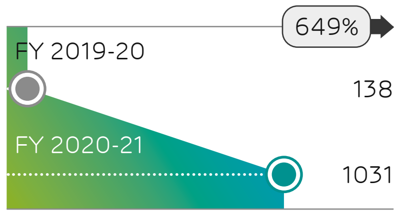
(share price in ₹)

Movement in the Adani listed portfolio on the stock exchanges in FY 2020-21

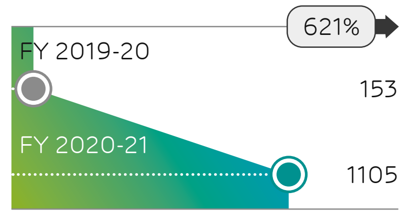
Adani Total Gas Limited



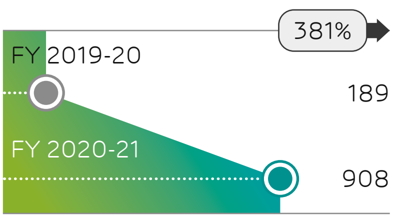
Adani Enterprises Limited



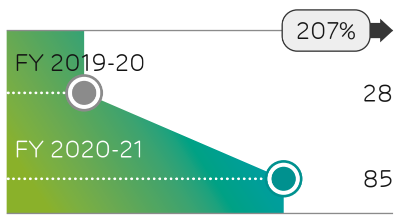
Adani Green Energy Limited



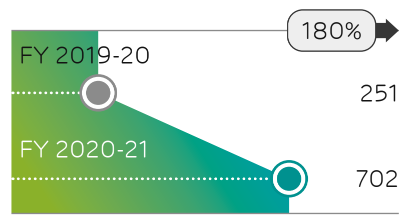
Adani Transmission Limited



Adani Power Limited



Adani Ports and Special Economic Zone Limited



All Adani portfolio stocks generated a return in excess of 100% and outperformed the index by a significant margin (Nifty-50 generated a return of 71%). FY 2020-21 stock prices were as of 31st March, 2021 and FY 2019-20 stock price was as of 31st March, 2020

The Adani Group: Establishing benchmarks

Largest

- India's largest commercial port (Mundra)
- India's largest private sector ports company
- India's largest single location private thermal IPP (Mundra)
- One of the world's largest ultra mega solar power plant of 648 MW at Kamuthi (Tamil Nadu)

Highest

- Ports company enjoying the highest margin among peers
- Highest transmission line availability in India

Quickest

- The 648 MW solar power Kamuthi plant commissioned in only nine months

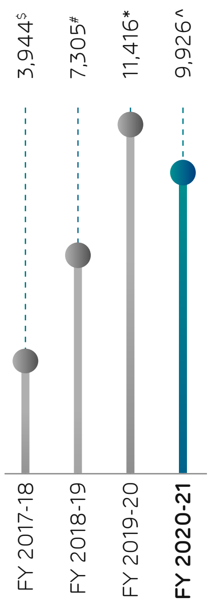
Longest

- Longest private HVDC line in Asia (Mundra to Mahendragarh)

How ATL performed in the last few years

Revenues

(₹ Crore)



Definition
Growth in sales net of taxes (if any)

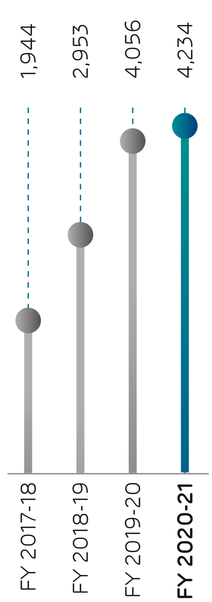
Why is this measured?
It showcases the Company's ability to enhance revenues, a number that can be compared with sectorial peers.

What does it mean?
Aggregate revenues increased attractively when seen from a three-year perspective due to various business-strengthening initiatives (detailed in the report)

Value impact
The company grew faster than the sectorial average, which resulted in a growth in market valuation in FY 2020-21.

Operational EBITDA

(₹ Crore)



Definition
Earning before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax)

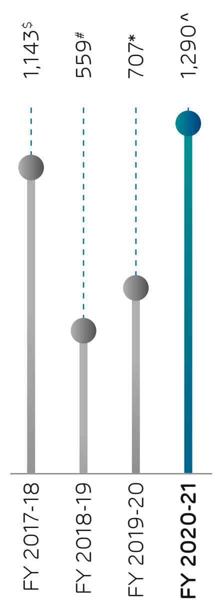
Why is this measured?
It is an index that showcases the Company's ability to generate a surplus following the expensing of operating costs.

What does it mean?
It helps create a robust EBITDA growth engine, a large part of which could be available for reinvestment

Value impact
The Company generated attractive EBITDA growth despite sectorial challenges

Profit after tax

(₹ Crore)



Definition
Profit earned during the year after deducting all expenses and provisions

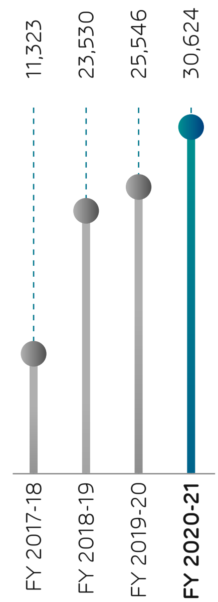
Why is this measured?
This measure highlights the strength of the business model in enhancing shareholder value

What does it mean?
It ensures that adequate surplus is available for reinvestment in the company's operations.

Value impact
The Company reported a 82% increase in net profit in FY 2020-21 following all-round business-strengthening.

Net fixed assets

(₹ Crore)



Definition
Net fixed assets is a measure used to assess the scale of a company's productive assets, utilised to enhance competitiveness

Why is this measured?
Net fixed assets (ex-depreciation) indicates the quantum of assets available on which to build the business

What does it mean?
This demonstrates the extent of productive assets employed by the company in the business after the depreciation provision, the lower the better

Value impact
The Company reported a 20% increase in Net Fixed Assets during FY 2020-21 following organic and inorganic growth

^ FY 2020-21 includes one-time income of ₹329.52 Crore recognised during the year based on the APTEL order related to April 2015 to March 2020

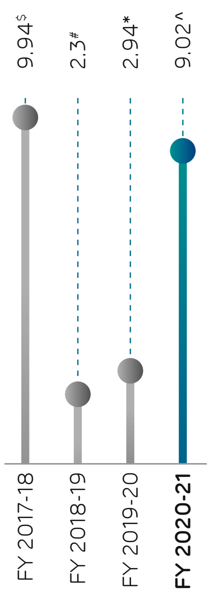
* FY 2019-20 includes one-time income of ₹254.43 Crore recognised during the year based on the MERC order received

FY 2018-19 includes a revenue reversal of ₹89.57 Crore during the year based on MERC order received related to the earlier year

$ FY 2017-18 includes one-time income of ₹872.53 Crore recognised during the year based on Central Electricity Regulatory Commission order received related to the earlier year

Earnings per share

(₹)



Definition
Earnings per share is a profitability measure used to assess how the company profitability translates into value per share

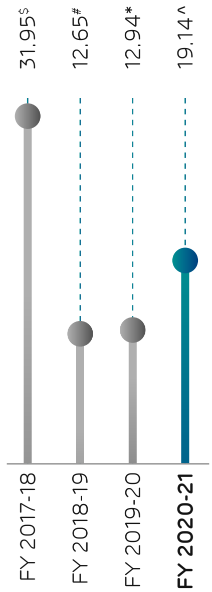
Why is this measured?
EPS provides a lucid insight into the company's earning capacity translating into shareholder value

What does it mean?
This demonstrates the lowest common denominator in the understanding of shareholder value creation

Value impact
The Company reported a 207% increase in EPS in FY 2020-21

Return on net worth

(%)



Definition
It is a financial ratio that measures a company's profitability and the efficiency with which its shareholder funds are employed in the business

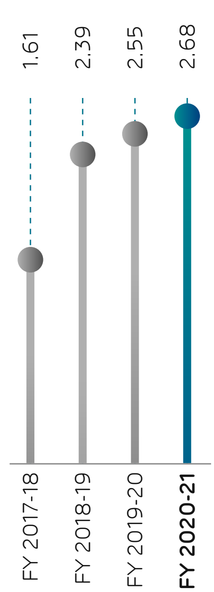
Why is this measured?
RoNW is a useful metric for comparing profitability across companies based on the amount of shareholder funds they use – especially in capital-intensive sectors

What does it mean?
Enhanced RoNW can influence valuation and perception

Value impact
The Company reported a 620 bps increase in RoNW in FY 2020-21

Debt-equity ratio

(x)



Definition
This is derived through the ratio of debt to net worth (less revaluation reserves)

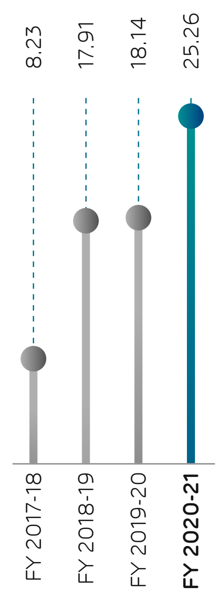
Why is this measured?
This is one of the defining measures of a company's financial solvency

What does it mean?
This measure indicates the extent of borrowing room within, the lower the gearing the better

Value impact
The Company's gearing increased nominally by 0.13x on account of debt repayment and increased net worth, which was offset marginally by higher debt

CSR spending

(₹ Crore)



Definition
This is the spending on community building initiatives

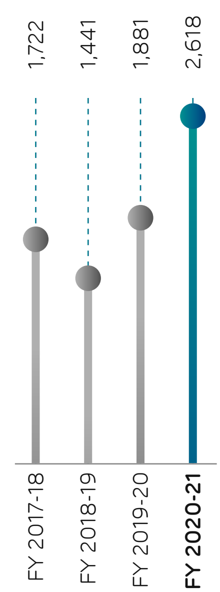
Why is this measured?
This is a responsible measure of the company's commitment to public welfare

What does it mean?
This spending indicates the quantum being ploughed into societal development

Value impact
The Company's CSR spending has increased over the years

Direct economic value-added (EVA)

(₹ Crore)



Definition
It is the profit earned by the company minus the cost of financing its capital

Why is this measured?
This is a is a measure that reveals the financial performance of a business based on the residual income

What does it mean?
It captures the idea that value is created when the return on the company's capital employed is greater than its cost of capital

Value impact
The Company's direct EVA spending has increased over the years

How Adani Transmission has enhanced shareholder value

Capital appreciation

23,965
₹ Crore, market capitalisation, 31st March, 2019

20,759
₹ Crore, market capitalisation, 31st March, 2020

99,901
₹ Crore, market capitalisation, 31st March, 2021

Relative outperformance

79
% CAGR growth in market capitalisation (listing to 2021)

10
% growth in BSE Sensex (equivalent period)

Overview into our value-accretive business model

India is correcting a long-term investment imbalance between its power generation and transmission sectors.

India is also at the cusp of privatising the distribution sector to enhance sectorial viability.

ATL created a validated value-accretive model: profitable business coupled with projected investments (and growth).

ATL's business model is marked by aggressive yet protected growth; rapid scale-up has been complemented by annuity incomes, strengthening business predictability.

ATL has reconciled the best of a hunter-farmer model. At the hunter level, the company is engaged in the accelerated rollout of transmission infrastructure accompanied by cost competitiveness and economies of scale, a foundation of profitable long-term growth. At the farmer level, the company generates annuity revenues from asset maintenance.

This combination – entrepreneurial approach in terms of bidding and asset implementation, coupled with secured income patterns, represents ATL's value-enhancement platform.

How we consistently enhanced shareholder value

- Group pedigree
- Strategic
- Competitive infrastructure creation
- Long-term asset viability
- Annuity incomes
- Financial discipline
- Acquisitions
- Responsibility
- Sustainability

1 Group pedigree

- Leveraging the infrastructure competence of Adani Group
- Leveraging capabilities in timely project construction and rollout
- Access to Group resources and knowledge
- Adani brand visibility helping in talent recruitment

2 Strategic

- The highest international credit rating in India's power infrastructure sector
- Increased TBCB share of assets in the total portfolio from 0% in FY 2015-16 to 52% in FY 2020-21
- Growing the business through long-term debt and accruals – no additional equity infusion
- Self-funded growth model: ₹1 Billion of equity helps create ₹2.25 Billion equity employed

3 Competitive infrastructure creation

- Leveraged scale and established vendor system to derive cost economics
- Implemented IMS, 5S, QC, Six Sigma and Lean for process standardisation and efficiencies
- Optimised fund costs through Capital Management Programme
- Reported one of the lowest costs per ckt km; O&M costs among global peers

4 Long-term asset viability

- Assets commissioned to last across the decades (30 + 35 years)
- Delivering the highest network availability linked to additional incentives
- One of the highest O&M availabilities
- Culture of preventive, condition-based, predictive maintenance and technology excellence

5 Secured long-term annuity incomes

- Long-term concession life (~35 years + 30 years of remaining asset life)
- Revenues independent on throughput quantum
- Pooling mechanism de-risks cash flows
- More than 48% sovereign-rated counterparties in FY 2020-21

6 Financial discipline

- Capital Management Programme; debt synced to asset life; debt cost declining periodically; widening margins
- Hedged dollarised debt 74% in FY 2020-21; 87% debt with maturity of 5 years+ in FY 2020-21
- Fully funded capex at AEML; adequate free cash flows for transmission capex until 2025
- Multi-year revenue visibility and predictability

7 Acquisitions

- Fast-tracked strategy to enhance assets and revenues
- Removed project commissioning risk
- Turned around every single acquisition; enhanced systemic availability and incentive income
- Acquisitions accounted for 64% revenues in FY 2020-21

8 Responsibility

- Deep ESG compliant business model
- Extensively de-risked approach; established global corporate credibility
- Robust governance and disclosures
- Focus on enhanced value for all stakeholders

9 Sustainability

- Addressing a critical national requirement
- Investment in business platforms for sustainable scalability
- Long-term relationships with principals; enhanced revenue visibility
- Comfortable Net debt/EBITDA; attractive credit rating

Outcomes of our value-accretive model

ATL is India's largest private sector transmission and distribution company.

The company delivered among the highest returns among global transmission players in the regulated return framework (ROA) in a study conducted across industry players in South Australia, Florida, California, UK and Hong Kong.

The company enjoyed a market share of 35% in the Indian transmission sector's TBCB bids in FY 2020-21.

The company delivered 79% CAGR post-listing returns by the close of FY 2020-21.

The company reports among the highest EBITDA margins in India's T&D sector.

The company grew transmission capacity ~3x in five years with a presence in 12 Indian states.

The company reported ~18% EBITDA CAGR from FY 2015-16 to FY 2020-21.

The company reported 45% increase in cash profit and 4% increase in operational EBITDA, FY 2020-21.

Our operational transmission networks

5,051 ckt km, 12,630 MVA
Network strength, FY 2015-16

~13,027 ckt km, 18,455 MVA
Network strength, FY 2020-21

Our distribution network availability

99.9924
%, FY 2015-16

99.9934
%, FY 2020-21

Our transmission system availability

99.83
%, FY 2015-16

99.87
%, FY 2020-21

Our network efficiency

Type of green coverage	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
SAIDI (Min/Cust)	51.76	55.88	46.42	39.12	34.38
SAIFI (Events/Cust)	1.63	1.54	1.33	1.24	1.11
ASAI (%)	99.99	99.9894	99.9912	99.9926	99.9934

How we generated superior financial hygiene

Operational EBITDA

1,864
₹ Crore, FY 2015-16

4,234
₹ Crore, FY 2020-21

18% CAGR, five years ending FY 2020-21

Gearing

3.18
Debt-equity ratio, FY 2015-16

2.68
Debt-equity ratio, FY 2020-21

50 bps decline, five years ending FY 2020-21

RoCE

9.74
% Return on Capital Employed, FY 2019-20

10.15
% Return on Capital Employed, FY 2020-21

0.41% increase over the previous year

Operational EBITDA (Transmission)

92
%, FY 2019-20

92
%, FY 2020-21

Operational EBITDA (Distribution)

21
%, FY 2019-20

27
%, FY 2020-21

Our projects portfolio

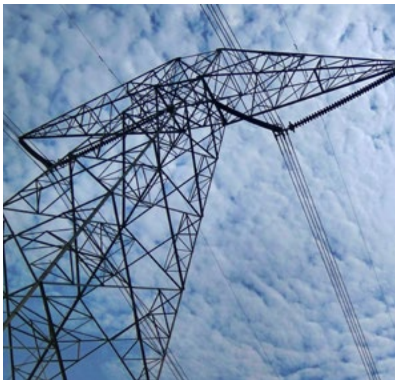
Operational assets

Transmission	Route Length (ckt km)	Transformation Capacity (MVA)	No. of substation	Counterparty
Maharashtra Eastern Grid Power Transmission Company Limited (MEGPTCL)	1,217	6,000	2	State
Adani Transmission India Limited (ATIL)	3,834	6,630	3	Centre/State
Aravali Transmission Service Company Limited (ATSCL)	97	630	1	State
Maru Transmission Service Company Limited (MTSCL)	300	730	1	State
Western Transmission (Gujarat) Limited (WTGL)	974	-	-	Centre
Western Transco Power Limited (WTPL)	2,089	-	-	Centre
Adani Electricity Mumbai Limited (AEML)*	572	3,250	8	State
Adani Transmission Bikaner Sikar Private Limited (ATBSPL)	343	-	-	State
Sipat Transmission Limited (STL)	348	-	-	Centre
Raipur Rajnandgaon-Warora Transmission Limited (RRWTL)	611	-	1	Centre
Chhattisgarh-WR Transmission Limited (CWRTL)	434	630	1	Centre
Adani Transmission (Rajasthan) Limited (ATRL)	278	-	-	State
Hadoti Power Transmission Service Limited (PPP 8)	116	310	5	State
Barmer Power Transmission Service Limited (PPP 9)	133	150	6	State
Thar Power Transmission Service Limited (PPP 10)	164	125	5	State
Alipurduar Transmission Limited (ALTL)	650	-	-	Centre
Ghatampur Transmission Limited (GTL) (2 of 3 elements)	486	-	-	State
Fatehgarh Bhadla Transmission Limited (FBTL) (Line)	292	-	-	Centre
Obra- C Badaun Transmission Limited (OBTL) (1 of 3 elements)	89	-	-	State
Sub total	**13,027**	**18,455**	**33**	

Under construction assets

Transmission	Route Length (ckt km)	Transformation Capacity (MVA)	No. of substation	Counterparty
North Karanpura Transco Limited (NKTL)	304	1,000	1	Centre
Fatehgarh Bhadla Transmission Limited (FBTL) (SS)	-	-	1	Centre
Ghatampur Transmission Limited (GTL) (1 out of 3 elements in construction)	411	-	-	State
Obra- C Badaun Transmission Limited (OBTL) (1 out of 3 elements in construction)	541	950	1	State
Bikaner-Khetri Transmission Limited (BKTL)	481	-	-	Centre
WRSS XXI(A) Transco Limited [WRSS XXI (A)]	292	3,000	1	Centre
Lakadia Banaskantha Transco Limited (LBTL)	352	-	-	Centre
Jam Khambaliya Transco Limited (JKTL)	38	2,500	1	Centre
Kharghar Vikroli Transmission Private Limited (KVTPL)	74	1,500	1	State
Warora Kurnool Transmission Limited (WKTL)	1,756	3,500	1	Centre
MP Package 1**	465	3,625	17	State
MP Package 2**	1,060	2,736	18	State
Sub Total	**5,774**	**18,311**	**42**	
TOTAL (OPERATIONAL+ ONGOING)	**18,801**	**36,766**	**75**	

* Includes assets under Mumbai Transmission Business of AEML
(an integrated utility with Generation, Transmission & Distribution portfolio)
** Projects awarded through TBCB (LOI awaited)



1

North Karanpura Transco Limited

Immediate evacuation for North Karanpura (3x660 MW) Generation Project of NTPC along with the creation of a 400/220 kV substation at Dhanbad (ERSS-XIX)

Project location: Jharkhand, Bihar

Regulator: Central Electricity Regulatory Commission

Concession / TSA term: 35 years

Project mode: Tariff-based competitive bid

Project type: Intra-state

Beneficiary State / Off-taker: Bihar, Jharkhand, West Bengal and Odisha

Business model latility: Build Own Operate Maintain

2

Fatehgarh-Bhadla Transmission Limited

Transmission system for Ultra Mega Solar Park in Fatehgarh, Dist. Jaisalmer, Rajasthan

Project location: Rajasthan

Regulator: Central Electricity Regulatory Commission

Concession / TSA term: 35 years

Project mode: Tariff-based competitive bid

Project type: Inter-state

Beneficiary State / off-taker: Adani Renewable Energy Park Rajasthan Limited (AREPRL)

Business model: Build Own Operate Maintain

3

Ghatampur Transmission Limited

Transmission system for Evacuation of Power from 3X660MW Ghatampur Thermal Power Project

Project location: Uttar Pradesh

Regulator: Uttar Pradesh Electricity Regulatory Commission

Concession / TSA Term:35 years

Project mode: TBCB

Project type: Intra-state

Beneficiary State / Off-taker: Uttar Pradesh

Business model: Build Own Operate Maintain

4

Obra-C Badaun Transmission Limited

Transmission system for evacuation of power from Obra-C (2x660MW) Thermal Power Project & Construction of 400 kV GIS Substation Badaun with associated transmission lines

Project location: Uttar Pradesh

Regulator: Uttar Pradesh Electricity Regulatory Commission

Concession / TSA term: 35 years

Project mode: Tariff-based competitive bid

Project type: Inter-state

Beneficiary State / Off-taker: Uttar Pradesh

Business model: Build Own Operate Maintain

5

WRSS-XXIA Transco Limited

Western Region Strengthening Scheme – 21 (WRSS-21) Part A –Transmission system strengthening for relieving over loadings observed in Gujarat intra-state system due to Renewable Energy (RE) injections in Bhuj PS

Project location: Gujarat

Regulator: Central Electricity Regulatory Commission

Concession / TSA Term:35 years

Project Mode: Tariff-based competitive bid

Project type: Inter-state

Beneficiary State /Transmission customers: Renewable energy generators

Business model: Build Own Operate Maintain

6

Bikaner-Khetri Transmission Limited

Transmission system associated with Long-term Access (LTA) applications from Rajasthan SEZ Part-D

Project location: Rajasthan

Regulator: Central Electricity Regulatory Commission

Concession / TSA Term: 35 years

Project mode: Tariff-based competitive bid

Project type: Inter-state

Beneficiary State / Transmission customers: Renewable energy generators

Business model: Build Own Operate Maintain

7

Lakadia Banaskantha Transco Limited

Transmission system associated with RE generations at Bhuj II, Dwarka Lakadia

Project location: Gujarat

Regulator: Central Electricity Regulatory Commission

Concession / TSA term: 35 years

Project mode: TBCB

Project type: Inter-state

Beneficiary State /Transmission Customers: Renewable energy generators

Business model: Build Own Operate Maintain

8

Jam Khambaliya Transco Limited

Transmission system for Jam Khambaliya Pooling Station and interconnection of Jam Khambaliya Pooling Station for providing connectivity to RE projects (1500 MW) in Dwarka (Gujarat) and installation of 400/220 kV Interconnecting Transformer (ICT) along with associated bays at CGPL Switchyard

Project Location: Gujarat

Regulator: Central Electricity Regulatory Commission

Concession/ TSA term: 35 years

Project mode: Tariff-based competitive bid

Project type: Inter-state

Beneficiary State /Transmission Customers: Renewable energy generators

Business model: Build Own Operate Maintain

9

Kharghar Vikhroli Transmission Private Limited

Transmission system for 400 kV Vikhroli receiving station and associated incoming transmission lines for strengthening the Mumbai transmission system

Project location: Maharashtra

Regulator: Maharashtra Electricity Regulatory Commission

Concession / TSA Term: 35 years

Project mode: Tariff-based competitive bid

Project type: Inter-state

Beneficiary State /Transmission Customers: Maharashtra Discoms, Business Parks and Indian Railways

Business model: Build Own Operate Maintain

10

Warora - Kurnool Transmission Limited

Additional inter-Regional AC link for import into Southern Region (SR) i.e. Warora – Warangal and Chilakaluripeta - Hyderabad - Kurnool 765kV link

Project location: Maharashtra, Andhra Pradesh, Telangana

Regulator: Central Electricity Regulatory Commission

Concession / TSA term: 35 years

Project mode: Tariff-based competitive bid

Project type: Inter state

Beneficiary State / Transmission Customers: Southern States of India and Goa

Business model: Build Own Operate Maintain

11

MP Power Transmission Package-I Limited

Development of Intra-State Transmission Work in M.P. through Tariff Based Competitive Bidding: PACKAGE - I

Project location: Madhya Pradesh

Regulator: Madhya Pradesh Electricity Regulatory Commission

Concession / TSA Term: 35 years

Project mode: Tariff-based competitive bid

Project type: Intra state

Beneficiary State / Transmission Customers: Discoms of Madhya Pradesh

Business model: Build Own Operate Maintain

12

MP Power Transmission Package-II Limited

Development of Intra-State Transmission Work in M.P. through Tariff Based Competitive Bidding: PACKAGE - II

Project Location: Madhya Pradesh

Regulator: Madhya Pradesh Electricity Regulatory Commission

Concession / TSA term: 35 years

Project mode: Tariff-based competitive bid

Project type: Intra state

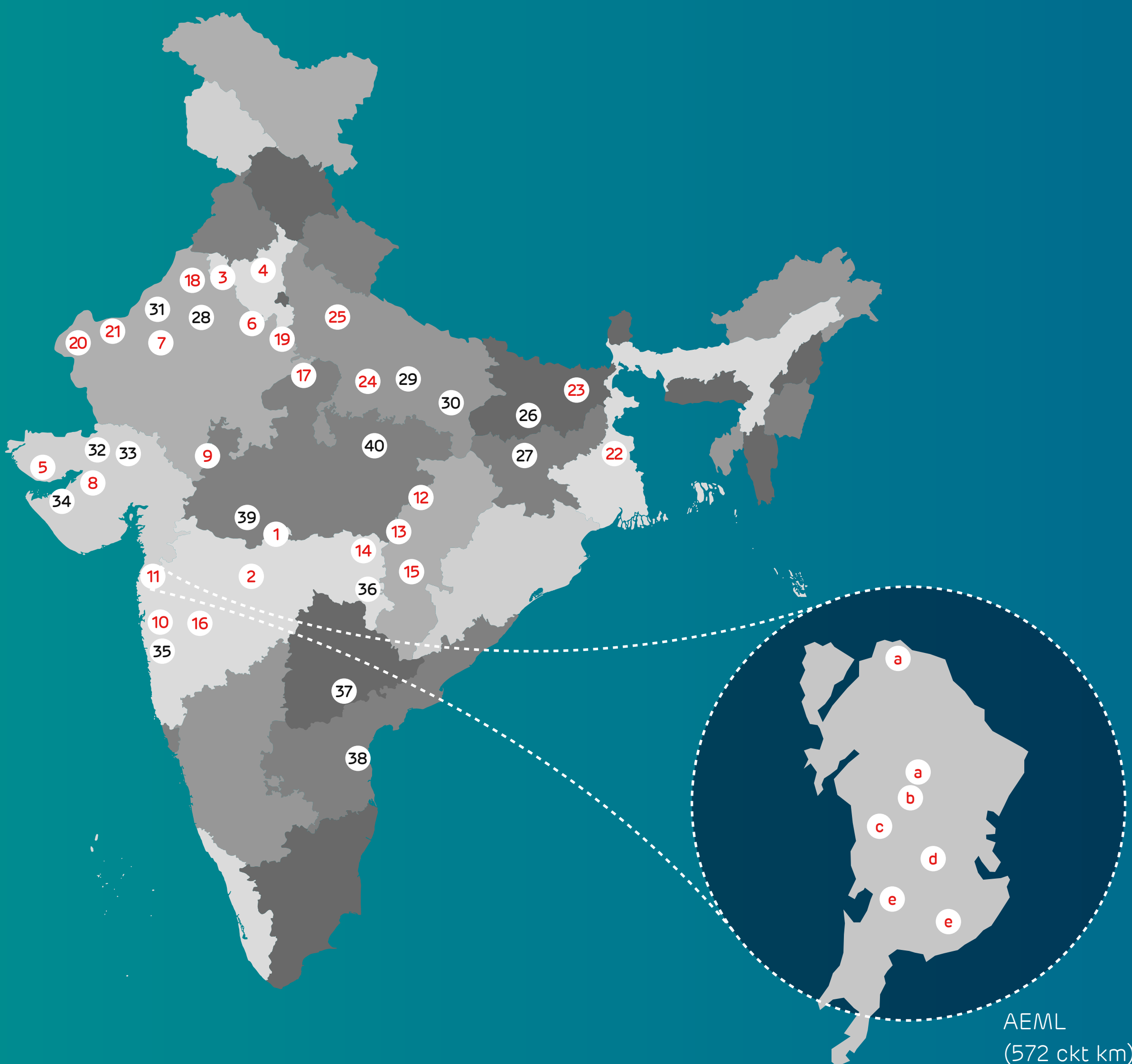
Beneficiary State / transmission customers: Discoms of Madhya Pradesh

Business model: Build Own Operate Maintain

Geographic footprint

Expanding access to the grid

Presence in twelve states with operational and under-construction projects comprising transmission lines of ~18,801 ckt km and substations with a transformation capacity of 36,766 MVA.



Operational assets are plotted in red
Under-construction assets are plotted in black

~18,801
ckt km
TRANSMISSION LINES

~36,766
MVA
TRANSMISSION CAPACITY

1	MEGPTCL (1,217 ckt km)
2,3,4,5	ATIL (3,834 ckt km)
6	ATSCL(97 ckt km)
7	MTSCL (300 ckt km)
8,9	WTGL (974 ckt km)
10	WTPL (2,089 ckt km)
11	AEML (572 ckt km)
12	STL (348 ckt km)
13,14	RRWTL (611 ckt km)
15,16,17	CWRTL (434 ckt km)
18	ATRL (278 ckt km)
19	HPTL (116 ckt km)
20	BPTL (133 ckt km)
21	TPTL (164 ckt km)
22, 23	ALTL (650 ckt km)

24	GTL** (486 ckt km)
25	OBTL** (89 ckt km)
26,27	NKTL (304 ckt km)
28	FBTL (292 ckt km)
29	GTL** (411 ckt km)
30	OBTL (541 ckt km)
31	BKTL (481 ckt km)
32	WRSS (292 ckt km)
33	LBTL (352 ckt km)
34	JKTL (38 ckt km
35	KVTPL (74 ckt km)
36, 37, 38	WKTL (1756 ckt km)
39	MP Package 1*** (~465 ckt km)
40	MP Package 2*** (~1060 ckt km)

Notes:

1) Maps not to scale (for representation purpose only)

2) Assets includes fully built, under-construction projects based on regulatory - approved and bid-based tariff profiles.

**GTL: 2 elements are operational; balance is under construction.

OBTL: 1 element is operational; balance is under construction.

*** Package awarded through TBCB (LOI awaited).

a. Dahanu - Ghodbunder Transmission line (169 ckt km)

b. MSETCL Boisar - Versova Transmission line (91 ckt km)

c. Dahanu - Versova Transmission line (106 ckt km)

d. Dahanu - MSETCL Viraj Transmission line (26 ckt km)

e. Other transmission line within Mumbai (180 ckt km)

CHAIRMAN'S MESSAGE

A Time For Pragmatic Optimism

It is hard to believe that a 100-year-old Keynesian statement, made at a time when telecommuting and global e-commerce were not even nebulous ideas, could still ring so true.

'He could order by telephone, sipping his morning tea in bed, the various products of the whole earth, in such quantity as he might see fit, and reasonably expect their early delivery upon his doorstep. He could at the same moment and by the same means adventure his wealth in the natural resources and new enterprises of any quarter of the world.'

This appeared in John Maynard Keynes' influential best-seller *The Economic Consequences of the Peace*, first published in 1919, when the word *globalisation* had not even been coined (it first showed up in its modern meaning only in 1930). The fact is that globalisation did exist even then, except that the pace was sedentary in comparison to today's world.

Some Things Never Change

If Keynes' time is remembered for the gradual globalisation of social and economic life, our time will be remembered for the unbridled pace at which globalisation is enveloping our lives, driven by the ubiquitous reach of the internet. The consequences are still emerging as our world's political, cultural and economic barriers dissolve faster than ever before in a dual solvent of global interdependence and hyper interconnectivity that are creating unprecedented new opportunities, new business models and several new challenges.

Of all the challenges, however, one of the most significant consequences of globalisation has been pandemics – and the most difficult of them has been COVID-19. While this is no surprise given that pandemics like the Asian Flu of 1957 spread through trade and travel routes, it is obvious that the world was just not prepared for the explosive rate of spread of a pandemic of COVID-19's scale. This has exposed several of the fragilities of global interdependence that will need to be fixed and each country is expected to do it differently.

Curiously though, the remedy for this malady is coming through the process of globalisation, as evidenced by the worldwide collaboration on accelerated genome sequencing, vaccine development and vaccine manufacturing. Therefore, paradoxically, both the problem and its solution lie in our embrace of globalisation.

Learnings During a Crisis

There is no denying the fact that while COVID-19 has challenged every nation, India's size and population density have made it a harsher challenge. Indeed, the pandemic froze economic

There is no denying the fact that while COVID-19 has challenged every nation, India's size and population density have made it a harsher challenge.

The COVID-19 pandemic has demonstrated, to most nations across the world, that free market economies cannot be at the cost of self-reliance. We must believe in our own capabilities and must be able to depend on it for economic construction, especially in times of crisis.

Despite a pandemic-induced large-scale disruption in economic activity, all six of our listed entities posted results significantly above market expectations.

priorities and forced the world to divert time and resources to manage the crisis, as did India. No one denies that India could have done much better and that every life lost is a tragedy. However, as the world races to vaccinate its people, we see India being criticised repeatedly for not doing enough to protect its own. Sometimes, it is worth keeping in mind that India has more people than the *combined population* of Europe, North America and Oceania. In other words, our country is facing a challenge bigger than what three *continents* are facing at a time when every nation is maximising what it can do for its own people and has far better healthcare infrastructure built over several decades. Given that our vaccination effort is bigger than the combined efforts of *87 countries*, it is only fair to take a step back and determine the scale of the challenge our nation has confronted.

In this context, I believe that the *Atmanirbharta* initiative launched by the Government is a transformational and correct step in our nation's journey. The COVID-19 pandemic has demonstrated, to most nations across the world, that free market economies cannot be at the cost of self-reliance. We must believe in our own capabilities and must be able to depend on it for economic construction, especially in times of crisis. Therefore, the five pillars of *Atmanirbhar Bharat* – Economy, Infrastructure, System, Vibrant Demography, and Demand – are a necessity to ensure our economy builds the intrinsic robustness to manage disruptive black swan events like COVID-19. The definition of a free-market economy will undergo a change in a post-COVID-19 world, and we must unhesitatingly write our own definition. After all, not only is India the world's largest democracy but it is also the world's most unique and boldest experiment with democracy. One size does not fit all and it is increasingly evident that the phenomenon of hyper-globalisation that created the unrealistic expectation of being the panacea for efficient manufacturing and services across the world has been one important cause of much of the inequalities we are witnessing today. Therefore, only when we are able to fully mobilise the efforts of our own people will we be able to develop our economy in a way that we can take advantage of our country's demographic dividends that we have not yet been able to fully unleash. COVID-19 is a wakeup call for all of us to transform ourselves. There cannot be a better time for us to commence the journey towards true self-reliance *(Atmanirbharta)* for accelerating the building of our nation in the post-COVID-19 world.

Organisational Values as a Platform for Numbers

The past year has been one that further reinforced my belief in the values of an organisation. About a decade back, we chose *Courage, Trust and Commitment* as the guiding values that would determine our actions and, today, I credit the resilience that we have demonstrated to the stoutness of these values. It strengthens my confidence in our organisation's fortitude, and this has been demonstrated in the results of our Group. Not only has the Adani Group emerged as India's benchmark for market leadership in difficult times, but we have also broadcast our organisational ability to rapidly pivot in the right market direction. An exciting example of this agility is our expanding partnership with TOTAL (now TotalEnergies) who are strategically increasing their renewables portfolio.

These developments exemplify the resilience of our diversified business across sectors, industries, and geographies. Despite a pandemic-induced large-scale disruption in economic activity, all six of our listed entities posted results significantly above market expectations and some of these record highlights appear below.

Group highlights

- Capacity addition, sweating of assets, and a relentless focus on operational excellence and efficiency ensured that the EBITDA of our listed portfolio registered a year-on-year growth of 22% (₹32,337 Crore in FY 2020-21).
- The return to equity shareholders (PAT) increased by a significant 166% on a year-on-year basis (₹9,415 Crore in FY 2020-21).
- All Adani portfolio stocks gave returns over 100% and out-performed index by a significant margin (Nifty-50 gave a return of 71%).

Segment highlights

- Adani Green Energy Limited (AGEL) added 925 MW operational capacity, achieved a high consistent Solar CUF of 22.5% and Wind CUF of 26.8%.
- Adani Transmission Limited (ATL) added 3,931 ckt km to its network, reaching 18,801 ckt km, and sold a record 7,169 Million units during the year.
- Adani Ports and Special Economic Zone Limited (APSEZ) achieved a cargo volume of 247 MMT (up by 11%) and reached a market share of 25%, a gain of 4% points.
- Adani Total Gas Limited (ATGL) added 102 CNG stations, 500 commercial and 40,939 domestic customers, achieving a combined volume of 515 MMSCM (CNG+PNG)

Strategic highlights

- APSEZ announced four acquisitions — KPCL, GPL, Dighi Ports & SRCPL — thus improving East Coast - West Coast parity. It also announced the setting up of a container terminal at Colombo port in partnership with John Keells and SLPA.
- Adani Enterprise Limited (AEL) took over operations of airports at Ahmedabad, Lucknow and Mangalore, signed concession agreements for Guwahati, Jaipur & Thiruvananthapuram, and is in the process of acquiring Mumbai International Airports Limited (MIAL) & Navi Mumbai International Airport Limited (NMIAL) airports.
- AGEL fortified its partnership with TotalEnergies who acquired a 50% stake in its 2.35 GW portfolio of operating solar assets and 20% equity stake in AGEL from the founders for an investment amounting to USD 2.5 Billion.

While we can look back and feel satisfied about our results, I believe that the real phase of accelerated growth of the Adani Group as an entity that benefits from having a portfolio of companies with several strategic adjacencies, is only now gathering momentum. This helps us bridge the B2B to B2C gap in unique ways and will encompass our new businesses like Airports, Data Centres, Defence and several others. What we have built over the past two decades is India's largest integrated and yet diversified infrastructure business that is now manifesting itself as an integrated 'platform of platforms' and moving us closer to unprecedented access to the Indian end consumer. I know of no business model akin to ours with access to an unlimited B2B and B2C market over the next several decades.

Not only has the Adani Group emerged as India's benchmark for market leadership in difficult times, we have also broadcast our organisational ability to rapidly pivot in the right market direction. These traits exemplify the resilience of our diversified business across sectors, industries, and geographies.

Building the Template for Capitalising on Trends

While we are known as an organisation that makes swift decisions, our foray into the world of renewables and clean energy has further allowed us to templatise our expansion process and has given us the confidence to move into several new sectors as has been increasingly evident with our diverse business portfolio. As an example, it is worth noting that the thought process of accelerating our clean energy footprint was seeded as recently as in 2020 (at the Davos World Economic Forum in January 2020). From my meetings at Davos, two things had become evident.

- First – Climate change had become the defining issue of our time and climate change action must be accepted as a global, national, and personal responsibility.

It was at Davos that I decided we must align with our nation's perspective on renewable energy – and set ourselves the goal to be the world's largest solar power producer. I also decided that a significant part of our Group's future investments must be focused on sustainable and renewable energy.

- Second – With India driving one of the largest consumption growths, our country would have to play a defining role as it balanced its need to provide affordable electricity to its citizens as well as accelerate its renewable energy ambitions.

It was at Davos that I decided we must align with our nation's perspective on renewable energy – and set ourselves the goal to be the world's largest solar power producer. I also decided that a significant part of our Group's future investments must be focused on sustainable and renewable energy. On the 22nd of January, I penned down my thoughts and the Group's ambitions in a LinkedIn article wherein I wrote: *"Our vision is to become the world's largest solar power company by 2025 and thereafter the world's largest renewable power company by 2030"*. I also stated that we would *"build 25 Gigawatts by 2025 and also become the world's biggest solar player"*. Our existing portfolio of renewable power at that time stood at just 2.5 Gigawatts.

We moved fast since January 2020 and my focus has been on building an organisation that can add an unmatched 5 Gigawatts of generation capacity every year over the next decade and foster a cleaner energy future. So far, we are very much on target. Let me highlight some of the milestones:

- Five months following the promise at Davos, in Q2 of 2020, we won the world's largest solar tender when SECI awarded us 8 Gigawatts through a competitive bidding process.
- Thereafter, in Q3 of 2020, Mercom reported that we had become the world's largest solar power developer. We rose from No.6 position in 2019 to No.1 in 2020 – in just nine months.
- Simultaneously, we formed game-changing partnerships in energy to start establishing the base for global partnerships. Inducting TotalEnergies as a 20% partner in the renewables business sealed a strategic alliance that covers investments in LNG terminals and renewable assets across India, besides the gas utility business. The partnership within the renewables space in India will be a key contributor to TotalEnergies' objective of transforming into a clean energy leader.
- Since January 2020, the value of our renewables business increased over 600 times thereby yielding one of the best returns across all stock markets.
- Thereafter, in May 2021, we acquired Softbank's and Bharti's 5 Gigawatts portfolio of renewable assets, allowing us to leapfrog and get to our target of 25 Gigawatts a full four years ahead of our schedule.

This is what templatisation means to us and it gives us the confidence to expand swiftly across several adjacent sectors. This success is also a manifestation of the core of our three organisational values – Courage, Trust, and Commitment – that fundamentally define our Group.

Adani Foundation: Growth with Goodness

As a Group with businesses in locations where some of the poorest segments of our population reside, we are deeply conscious of our responsibility to help marginalised and underprivileged communities – over and above just creating jobs. Through a wide variety of initiatives led by the Adani Foundation, we have touched millions of lives across thousands of villages, driving beneficial change in education, health, infrastructure development and sustainable livelihood development. We expect to amplify our work and double these numbers over the next five years.

However, in line with the rest of the world, the Adani Foundation's primary focus over the past year was guided by the battle against COVID-19. One of the issues the cascading nature of this pandemic thrust into the national spotlight was the grave inequality across our scattered communes in access to relief and care. As soon as the virus took hold, we mapped out the urgencies of the moment and studied how best we could mitigate distress across India. We quickly realised that the battle needed more than the standard assortment of medical items, like protective gear and diagnostic kits. The most pressing need was for additional means to quickly deliver medical oxygen across the land.

The solution was tied to several items that were in short supply locally. We needed more cryogenic tanks capable of transporting oxygen in supercooled liquid form, more medical oxygen cylinders for hospitalised patients, more oxygen generator plants for healthcare facilities unable to rely on transported supplies and more oxygen concentrators for people managing their infection by themselves.

It was a formidable challenge but one that we rose to, quickly and efficiently. Working with our business partners and Indian missions across the world, we managed to secure a massive life-saving inventory of these critical items, the biggest of which we brought in with the help of the Indian Air Force. Back home, our indefatigable logistics teams ensured that the oxygen tanks and cylinders were repeatedly refilled and despatched to all corners of the country.

I am also proud that the Foundation went well beyond procuring essential supplies. In just days, our engineering and medical teams expertly converted our Adani Vidya Mandir school in Ahmedabad and the Noida Indoor Stadium into emergency COVID-19 Care Facilities with hundreds of beds, oxygen support and catered food. In Bhuj and Mundra, our hospitals that serve as a general medical oasis for the neighbouring districts were swiftly turned into 100% COVID care hospitals.

At no time in the past was the work of the Adani Foundation more necessary and relevant than it is now. I am deeply moved by the extent of the effort our Foundation's team members have put in, often choosing to ignore the risk to their own health.

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The Belief in the Long Term

Over the past few months there have been several voices that wonder if India's target to be a five-trillion-dollar economy over the next four years is achievable. I personally see it as an inconsequential question. History has amply demonstrated that out of every pandemic crisis, emerge several learnings and I believe that India and the world become wiser as we go through this pandemic. India will be a five-trillion-dollar economy and will then go on to be a 15-trillion-dollar-plus economy over the next two decades, emerging as one of the largest global markets in terms of consumption size and market capitalisation. There will be bumps along the road, as has been the case in the past, and is expected to be the case in the future. However, there cannot be any doubt that the largest middle-class that will ever exist, augmented by an increase in the working age and consuming population share, will have a positive impact on India's growth rates very much in line with the demographic dividend India enjoys. The most essential factor required will be a better trained workforce and I have no reason to believe that over the next two decades we will not have been able to suitably address this challenge. It is a virtuous cycle that is driven by the growth in the middle-class population and India today has a longer runway than any other nation in the world.

India will be a five-trillion-dollar economy and will then go on to be a 15-trillion-dollar-plus economy over the next two decades and will emerge as one of the largest global markets, in terms of both consumption size and market capitalisation.

Regards,
Gautam S Adani
Chairman

MANAGING DIRECTOR'S AND CHIEF EXECUTIVE OFFICER'S MESSAGE

"The company has demonstrated the credentials for sustainable growth and leadership. The company is benchmarked with best-in-class practices and intends to emerge as a world-class integrated utility"

Anil Sardana,
Managing Director and Chief Executive Officer

Dear stakeholders,

I am pleased to present my strategic overview for your consideration.

Permit me to commence with a note of over-arching optimism related to both businesses – transmission and distribution - where we are present. The country's transmission sector is poised for attractive growth through this decade. For a sector as mature as that of India's transmission sector, the projected growth indicates a structural shift in the industry that is expected to widen the sector on the one hand and benefit the nimble and prepared on the other.

The country's distribution sector is proceeding towards a similar inflection point. The time is coming when a number of urban distribution networks will be privatised with the objective to infuse private capital and enterprise into their turnarounds, growth and modernisation.

I am pleased to communicate that Adani Transmission enjoys an early mover's advantage in capitalising on both opportunities. The company has emerged as an attractive proxy of both businesses and we are optimistic of enhancing growth in a sustainable way for all our stakeholders across the long-term.

The challenges of FY 2020-21

The year FY 2020-21 was one of the most momentous in our experience.

In the first quarter of the year under review, the country was locked down by the government following the outbreak of the pandemic. This affected our capacity to commission projects on schedule on the one hand and engage in on-site maintenance on the other.

The principal message that I wish to communicate is that our long-term environment-social-governance (ESG) commitment emerged as the most effective counter-response in this challenging environment.

Our ESG commitment was showcased in the safety and security of our employees during this critical period. I am pleased to communicate that we addressed our principal responsibility to employees by ensuring their safety through the incorporation of safety measures, social distancing and technology-driven remote engagement. Most of our employees remained safe during this period and I can think of no bigger achievement for our company during the last financial year. This protected our business continuity and our capacity to deliver sustainable value to our stakeholders across the long-term.

The other ESG achievement was the ability of the company to enhance the interests of all stakeholders during the year under review. At Adani Transmission, we are engaged in the responsible enhancement of values for all those who work with us, lend to us, provide risk capital, communities in the periphery of our presence, government, vendors and customers. I am proud to communicate that we enhanced value for this entire stakeholder family during the year under review. I can state with pride that we took the interests of each stakeholder ahead, strengthening the robustness of our holistic eco-system to address the challenges of the future.

Outperformance

At Adani Transmission, we sustained our culture of outperformance, the period of lockdown notwithstanding.

The company remained focused on growing its business around the best global practices, strengthening operating efficiencies, disciplined capital allocation and the ability to grow the business without compromising our capacity to reward stakeholders across the future. The company continued to protect its catalytic role in unlocking India's long-term energy sector potential on the one hand and enhancing its competitiveness on the other.

The company made two acquisitions (Alipurduar Transmission Limited and Warora-Kurnool Transmission Limited) during the year under review that will widen its pan-India footprint. More than that, these acquisitions will consolidate the company's position as the largest Indian private sector transmission company and sustain its velocity towards its 20,000 ckt km goal in transmission lines by 2022.

The high points of the company's performance on the distribution business side during the year under review were how AEML protected consumers during the unprecedented Mumbai power outage on 12th October, 2020. The snapping of a conductor at 9.58 am in MSETCL's Kalwa-Padhage Line-2 and manual tripping of the Talegon-Kharghar Line by the operator resulted in a partial grid failure. As a result, nearly 3,500 MW of load was affected in Maharashtra; 2,200 MW was affected in Mumbai alone. AEML moved with speed and sensitivity; its two units operated in an islanded mode within less than an hour, supplied 340 to 390 MW of critical / essential loads when no other generation or power source was available, ensuring that essential services and hospitals continued to function normally during a disturbed time. I am pleased to communicate that through this responsiveness, AEML highlighted its position as a dependable service provider.

This agility represents the DNA of our company. We are not just a conventional electricity service provider; we are reinventing the service quotient of discoms in India through a combination of service reliability directed at enhancing the consumer's experience. We will continue to reinforce our positioning as Mumbai's preferred service provider through enhanced infrastructure investment.

At the close of the year under review, both the company's businesses appeared attractively placed. The power transmission business comprised robust portfolio of ~ 13,027 ckt km under operations and ~ 5,774 ckt km under projects that should translate into sustainable growth. Besides, an increasing number of transmission projects based on the TBCB format of bidding should make it possible to leverage the company's competitiveness, carving away a larger market share.

The power transmission business comprised robust portfolio of ~ 13,027 ckt km under operations & ~ 5,774 ckt km under projects that should translate into sustainable growth. Besides, an increasing number of transmission projects based on TBCB format of bidding should make it possible to leverage the company's competitiveness, carving away a larger market share.

At the end of the day, the company recognises that for success to be enduring, growth needs to be encompassing. In view of this, the company continued to invest in community projects through Adani Foundation. The company challenged conventional gender profiling through the appointment of women meter readers, which has generally been a male-dominated professional segment. To make its gender commitment sustainable, the company launched Women Skill Development Institute, which is expected to create a talent pipeline of functional women talent in mainstream professional roles.

Attractively placed to capitalise

In the last few years, Adani Transmission has emerged as one of the most attractive integrated power transmission and distribution companies in India.

The company is unique in that it addresses the twin opportunity engines of transmission and distribution segments in India.

The company trebled its transmission capacity in just five years, the fastest percentage accretion to capacity (given similar scale) in the country's transmission sector.

The company increased its share of the country's power transmission segment in TBCB bids from 24% in FY 2015-16 to 35% in FY 2020-21.

The success of the company's strategic direction, excellence in project execution and high benchmark in project maintenance have been consistently validated through an operational EBITDA margin of ~92% for the transmission segment. Besides, the company carries a low corresponding business risk that is largely insulated from market cycles or risks of receivable defaults.

The company believes that a bulge in the country's transmission sector will increase inorganic growth opportunities (through acquisitions) especially where competing transmission assets are being sub-optimally utilised or are being operated at costs higher than the sectorial standard. The company made the first acquisition in the country's power distribution sector; it accounted for seven acquisitions in the power transmission segment. The acquisitions proved value-accretive through a prudent leverage of Group and corporate synergies.

The company strengthened its business model through access to stable long-term debt synced to asset life in some cases that could be interpreted as quasi-equity; it replaced debt with bonds, moderating interest outflow.

Attractive prospects

At Adani Transmission, we are optimistic of our long-term prospects for good reasons.

India's transmission and distribution sectors are at an inflection point for some good reasons. In India, there has been a long-standing under-investment in the transmission sector. In the 2012-2017 period, for instance, India's generation capacity grew 64%; transmission capacity grew only 22%. The result is that India suffers a low MVA/MW ratio (2.3x compared with 7.0x globally) and even though this imbalance appears to be rapidly correcting, there is a ₹8.2 Trillion sectorial opportunity for transmission capacity expansion until FY 2028-29.

An internal study indicates that India's transmission line capacity of 4,41,821 ckt km is likely to rise to 8,28,000 ckt km by 2034; this indicates that what India achieved in terms of transmission capacity since electricity first started being generated more than a century ago is expected to be more than replicated in only a decade-and-a half.

At the back of these compelling realities is the reality that India's per capita consumption of electricity is only around 1,149 kWh compared with the corresponding global average of more than three times this number and consumption of more than 12,000 kWh in advanced countries like USA. This indicates that as economic growth accelerates, there is a possibility of accelerated per capita electricity consumption that would warrant a substantial addition in power transmission and distribution infrastructure.

The country's power transmission sector is evolving from the regulated form of transmission projects allocation to tariff-based competitive bidding, a level playing field for the fittest player to survive and for projects to be awarded with complete bidding transparency. Besides, the Indian transmission sector is poised to capitalise on the fact that the world is rapidly moving towards renewable energy forms, warranting new transmission lines and networks to evacuate renewable energy.

Even as India's transmission sector is poised at an inflection point, its distribution sector is at an early stage of reform as well, marked by a growing room for privatisation leading to enhanced systemic efficiency and overall sectorial viability.

What gives me confidence is that the Indian government has secured the long-term sustainability of the sector through long-term policies that have been timely, continuous and irreversible, enhancing the confidence of Indian and international investors and lenders.

The Indian government has put a significant emphasis on renewables, especially solar, and ensuring last-mile connectivity through schemes such as '24x7 Power for All', Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya scheme). It is also focusing on transmission lines catering to the green corridor and new opportunities.

Looking ahead

At Adani Transmission, we aspire to sustain our position as the largest private Transmission and Distribution (T&D) company of India, contributing to nation building by transmitting and distributing affordable power using operational excellence and technology-led innovation.

Our priorities include the following:

- Maintaining 25% market share in TBCB transmission bids by growing through organic as well as inorganic routes
- Augmenting efficiencies in the distribution business and enhancing customer delight
- Focusing on sustainable operations through business excellence
- Driving process innovation and new business models through technology adoption

The company's distribution business will be reinforced through capital investments that enhance the contemporariness of assets, service and consumer access. We believe that the Mumbai market provides the company with the advantage of a consumer base, marked by scale, density and sophistication; this market is providing the company with a rich experience that the company intends to extend to other power distribution markets once they are privatised.

The company will continue to invest in digitalisation with the object to enhance seamless automation, operating efficiency, cost competitiveness and asset availability. The company will deepen its ESG commitment, marked by focused teams benchmarking a higher performance standard. This will be complemented by a comprehensive reporting discipline structured around global standards of information sharing.

The company engaged with new age energy resources like hydrogen, fuel cells, efficient battery system and electric vehicle charging stations. By seeding our business with these nascent and emerging developments, we are directing our business from the contemporary to the futuristic.

Optimism

I am optimistic that the company has demonstrated the credentials for sustainable growth and leadership. The company is benchmarked with best-in-class practices and intends to emerge as a world-class integrated utility. It would be relevant to indicate that this aggressive growth will not compromise the company's Balance Sheet integrity in any way: the company will continue to de-risk its business through stronger strategic and operational aspects, capital conservation, credit quality, partnerships and high governance standards leading to enhanced value creation for all stakeholders across the long-term.

I would like to thank our investors for their support, and my fellow Board members and our entire team for their commitment to build a reliable, responsible and sustainable network and consumer services management institution.

Anil Sardana,

Managing Director and Chief Executive Officer

FINANCE CONTROLLER'S MESSAGE

"ATL has evolved from a high-growth developing company to a mature asset operator with healthy free cash generation, limited greenfield risk and focused governance"

Sanjay Poddar
Finance Controller

Dear stakeholders,

At Adani Transmission, we are committed to sustained environmental stewardship, social responsibility and business outperformance.

In FY 2020-21, the company delivered across demanding economic, social and environmental parameters in pursuit of its vision of transmission sector leadership. Our performance reflected not only on where we stood for the moment, but also where we are headed.

At the heart of our competitiveness has been a robust capital management programme. This programme has consistently focused on interest reduction, extended debt maturity and an optimised capital structure for a business that is capital-intensive and where the asset remains relevant for decades.

The effectiveness of this multi-dimensional focus resulted in the highest growth-adjusted RoCE among global peers in FY 2020-21. The Company completed its capital management plan for operational assets following the issue of long-term bonds mobilised from the international debt market and the onboarding of strategic partner in Qatar Investment Authority. By the close of the financial year under review, the company's financial structure had secured growth initiatives with a large and competitive pipeline of funds. We believe that these initiatives de-risked the company on the one hand and provided available growth resources to capitalise on sectorial opportunities on the other.

The company intends to cater to the growing power demand in India by helping the country widen its transmission network, especially in power-deficit regions.

Following a focused fund-raising exercise across the last few years, the company had three traded bonds and one US private placement (USPP) bond outstanding on its books at the end of FY 2020-21. These underlying assets were rated BBB-, a notch higher than the sovereign rating accorded by Fitch and S&P, subject to the issue rating being capped at the sovereign rating of BBB- and rated Baa3 by Moody's. We believe that these ratings enhance our respect in the international community as a credible and attractive proxy of one of the most exciting transmission & distribution markets in the world.

In line with its ambitious growth aspiration, your company added ~3,931 ckt km to its transmission network in FY 2020-21. This comprised the acquisition of two credible transmission assets, namely the Alipurduar and Warora Kurnool transmission lines; besides, the company won two TBCB projects in Madhya Pradesh. These acquisitions, including our under-construction assets, will increase our transmission network to ~18,801 ckt km, which is close to our overall 20,000 ckt kms goal by 2022.

During a pandemic year when most businesses were impacted on account of inadequate cash flows, Adani Transmission generated cash profit of ₹2,929 Crore in FY 2020-21, which was 45% higher than the previous year.

The company reported an operational EBITDA of ₹4,234 Crore in FY 2020-21 compared with ₹4,055 Crore in FY 2019-20, a growth of 4%. Return on Equity was optimised through efficient financing coupled with consistent Investment Grade credit rating and AA+ domestic rating, making it possible for the company to mobilise growth funds at competitive costs for the long-term. On account of revenue growth and a consistent EBITDA margin of ~92% (transmission business), the company generated attractive free cash flows from its operations. Besides, the company protected its reputation through project execution before time and within budget.

The company intends to cater to the growing power demand in India by helping the country widen its transmission network, especially in power-deficit regions. Through efficient development, operations and capital management, the company generated a high return on equity and capital recycling, which empowered the company with a fully-funded organic and inorganic growth plan without compromising its desired risk appetite and leverage.

On the power distribution side, the company de-risked its business following the induction of Qatar Investment Authority as a strategic partner. Besides, the company made sizable technology-led investments to strengthen its distribution infrastructure and operations. The company is optimistic that these investments will enhance systemic reliability and resilience to extreme unforeseen events, reinforcing the company's respect as Mumbai's preferred power supply provider.

The company's robust operating model, governance structure, effective risk management and ethical practices represent a robust platform for long-term stakeholder value-creation.

Process efficiencies

At Adani Transmission, a team of experts monitors our Operations & Maintenance (O&M) function in real-time. This surveillance of our transmission system (transmission lines and substations) has helped enhance the availability of our transmission assets. The company created a specialised diagnostic cell comprising subject matter experts to focus on root cause, corrective and preventive actions related to systemic abnormalities. Strong inventory management, equipment procurement and vendor management helped mitigate shortages and cost escalations. A complement of these focused initiatives helped the company deliver an availability of 99.87% in FY 2020-21, arguably the highest in India's transmission sector.

The company (through AEML, its subsidiary) focused on hardening its assets in the distribution business by ensuring power supply marked by the three pillars of sustainability, reliability and affordability. The company emerged as one of the first utilities in the country to invest in the advanced next-generation SCADA technology, providing a seamless integrated platform with Geographical Information System (GIS), translating into superior service. As a result, the company's distribution loss was lower at 7.82% in FY 2020-21.

Strong governance

Adani Transmission's environment agenda aims to maximise resource efficiency and mitigate the negative eco-system impact of operations. The company is transitioning to a low-carbon economy and proceeding towards leadership in the transmission and distribution of reliable clean power. During the year under review, AEML executed and MERC approved a power purchase agreement for 700 MW hybrid renewable energy, which will account for ~30% of AEML's gross energy demand by FY 2022-23.

The company's robust operating model, governance structure, effective risk management and ethical practices represent a robust platform for long-term stakeholder value-creation. The company's rigorous market scanning and risk review process facilitate responsiveness.

The company invested in responsible business practices to promote operational excellence and reinforce stakeholder trust. The company continued to deepen its environmental-social-governance (ESG) culture and appointed an external agency to conduct an ESG audit.

Going forward

In FY 2021-22, the company will pursue strategic priorities, focus on financial and ESG priorities while building its growth momentum.

The company thanks all stakeholders, internal and external, for their support towards its vision and related initiatives.

I would like to thank the team for its passion and perseverance and assure that we will remain engaged in delivering profitable growth and societal value.

Sanjay Poddar
Finance Controller

CHIEF SUSTAINABILITY OFFICER'S STATEMENT

"Adani Transmission formalised an ATL-ESG Strategy and Steering Framework with the goal 'To be in the top companies of the world in ESG benchmarking of electric utilities by FY 2022-23'

ESG Focus Areas covering Material Issues

Commitment towards global climate action

- Climate Change mitigation and adaptation
- Water stewardship
- Zero waste to landfills
- Biodiversity conservation and natural resources optimisation

Corporate citizenship and enabling social transformation

- Human capital development and Caring Human Rights in the business
- Safety and well-being
- Inclusive Growth including communities
- Innovation and Technology

Responsible business practices

- Business Ethics and Values
- Customer Orientation and Value creation for Stakeholders
- Enterprise Risk Management
- Responsible business partnerships (engagement with suppliers and customers on ESG issues)

Key Performance Indicators for ESG Focus Areas

Dear stakeholders,

At ATL, we believe that responsible and transparent governance is vital to creating long-term sustainable value for our stakeholders while consistently achieving our strategic objectives.

Our governance commitment extends beyond our compliance with the requirements of Securities and Exchange Board of India and the Companies Act, 2013.

Adani Transmission formalised an ATL-ESG Strategy and Steering Framework with the goal 'To be in the top companies of the world in ESG benchmarking of electric utilities by FY 2022-23'. This framework aligns the focus of the management team with the strategic vision of the Board of Directors. It integrates ESG into the way we do business and decision making.

Based on prioritised material issues in our business, the ATL-ESG framework rests on three strategic pillars of 'Commitment Towards Global Climate Actions', 'Corporate Citizenship Enabling Social Transformation' and 'Responsible Business Practices'. Each material issue warranted actions for improvement and key performance indicators (KPIs).

Besides other mandatory committees of the Board as per applicable regulations in the country, the company created a Sustainability and CSR Committee, a sub-committee of the Board of Directors. The ATL Board Committee charter is publicly visible on the ATL website. By a resolution of the Board of Directors, responsibilities of regular monitoring, reporting and public disclosures of ESG performance are delegated to the chair of the management, presently the Managing Director and the Chief Executive Officer.

To support the CEO in discharging this function, there is a structured team with systems in place. There is an Apex ESG and Sustainability Committee (ASC), a body of all functional leaders and operating site leaders chaired by the CEO. At a working level and one level below the Apex Committee, there is a ESG Working Group (ESG-WG), a cross functioning team guided by the Chief Sustainability Officer (CSO). Roles and responsibilities of the ASC and ESG-WG are defined. The CSO and Head Sustainability drive the ESG-WG to identify material issues and critical risks affecting long-term business sustainability, formulating policies and management approaches. The CSO also supports the chair of the management in establishing systems for monitoring, measurement and verification of all ESG aspects and public disclosures with stakeholder inclusion, sustainability context, materiality and completeness.

The Company has adopted internationally renowned frameworks and standards to align its ESG public disclosures. In the reporting year, the company disclosed its climate change and risk management measures on the CDP platform. Besides, ATL discloses performance for material issues as per GRI Standards and Sustainable Development Goals (SDGs); it also maps disclosures with TCFD recommendations and UNGC principles in the ESG section of the Integrated Report and a dedicated Sustainability Report. There is a systematic process of materiality assessment for reporting and public disclosures. This includes a process of stakeholder identification and engagement guided by GRI and ISO standards. An inside-out view of material issues is calibrated with periodic stakeholders' engagement and prioritised reporting.

All subsidiaries and 100% operations of ATL are covered by the Integrated Management System (IMS) for Quality, Environment, Safety, and Energy and Asset management and certified against ISO standards for these aspects that are ISO:9001, ISO:14001, ISO 45001, ISO 50001 and ISO: 55001, respectively. Going further, during the reporting year, the company improved the scope of its management system for Business Continuity (ISO: 22301) and Information Security (ISO: 27001 and ISO 27031); 96% of its subsidiaries and operations are certified for the same. The company initiated the implementation of Social

Management System as per SA 8000 standard in its major subsidiaries. The Management Representative (MR) and IMS Governing Council drives management systems in the company.

Various initiatives for improvements across all ESG pillars are identified by the working group. During the year under review, the company implemented a Claw Back Policy and made additional public disclosures in line with the expectations of prominent ESG evaluation agencies comprising S&P Global, Dow Jones Sustainability Index, Morgan Stanley Sustainability Index and Sustainalatics.

The target for GHG emissions reduction in line with India's Nationally Determined Contribution (NDC) for climate change was disclosed by the company in terms of a reduction in GHG per unit of revenue. Details on these targets are provided inside this report. A Sensitivity Analysis helped assess climate change-related risks inherent in ATL's operations. The organisation adopted a climate scenario-based analysis using IPCC's RCP 4.5 (medium emission) to assess its operating sites' climate change-related projected risks and impacts.

The zero waste to landfill (ZWL) initiative that commenced during the year progressed and manifested as a certification for ZWL for the 500 MW power generating station in the portfolio of the company. The MD & CEO signed the bio-diversity policy that committed to conducting business with no-net-loss to bio-diversity. ATL became a signatory to the India Business and Biodiversity initiative (IBBI), which is a Ministry of Environment, Forest and Climate Change initiative with Confederation on Indian Industry (CII) as the nodal agency. A representative from ATL contributed in one of the focused groups of IBBI members formed by CII. Besides, the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their disposal covered the trade of plastic waste. In 2019, the Conference of the Parties to the Basel Convention decided on ways to address plastic waste. As the various countries strengthened their legal framework to control plastic waste, India promulgated the provisions to control plastic waste. On 15th August, 2019, the Prime Minister of India announced that India would phase single-use plastics by 2022. ATL embraced this as an opportunity to align with the nation's priorities. ATL embarked on an ambitious project to become SUP-free at all operating and project locations. During the year, the 500 MW power generating station of the company achieved the SUP-Free certification. Three major sub-stations in the transmission network also achieved the SUP-Free certification awarded by CII, based on the monitoring and verification protocol developed by CII. By achieving single use plastic-free status, we are complying with Sustainable Development Goal #12 (Ensure sustainable consumption and production patterns).

During the reporting year, ATL embarked on the goal to become 'net water neutral'. A Sensitivity Analysis was conducted to analyse the baseline Water Stress Level and Drought Risk Level at key operating sites. This study was conducted using WRI's Aqueduct Tool and India Water Tool. The ESG aspect and Risk Management were embedded by establishing an Enterprise Risk Management (ERM) System guided by the Chief Risk Officer. This system enables employees and associates to highlight risks to the next level. The risk management framework comprised a provision to evaluate, prioritise and escalate risks to the highest governing body.

To emerge among 'Top companies of World in ESG Benchmarking of Electric Utility Companies by FY 2022-23', ATL embarked on an ambitious project to become SUP-free.

The ESG initiatives of the company have been covered in details inside this Report. For detailed technical disclosures on material issues, ATL will publish a comprehensive Sustainability Report in line with GRI Standards following the publication of this Integrated Report.

We intend to establish a strong connect with our stakeholders and welcome feedback at cso.transmission@adani.com

Praveen Anant
Chief Sustainability Officer

BUSINESS DRIVER

How ATL has built a sustainable financial platform

Our platforms

- Stable regulatory environment
- Group brand
- Sustainability
- Strategic partner
- Asset life
- Critical mass
- Twin revenue engines
- Revenue broad-basing
- Throughput -independent
- Profit-kicker
- Liquidity
- Credit rating
- Prudent investment
- Low equity load
- Attractive debt profile
- Capital churn cycle
- Competitive-ness
- High strike rate
- Revenue mix
- Pooling mechanism
- Superior technology and asset utilisation
- Annuity visibility

Overview

At Adani Transmission (ATL), a robust financial structure represents a foundation for long-term revenue / cash flow visibility leading to business sustainability.

This priority is relevant in India's transmission and distribution sectors marked by a large and growing sectorial opportunity that, in turn, warrants ongoing capital expenditure.

This capability – reconciling the needs of the present and the future – empowers the company to mobilise adequate resources (equity and debt) at the lowest cost in the shortest time for the longest tenure and with the highest protection (from foreign currency movements).

The harmonisation of these requirements has resulted in a robust financial structure designed to enhance business sustainability across market cycles.

Platform

At Adani Transmission, we have created a financial platform directed to protect the company's national leadership in the transmission space and empower its growth across the power transmission cum distribution segments. We believe that this competence has helped graduate the company towards cash liquidity in a capital-hungry sector. The company's financial platform has been structured around the following constituents.

Stable regulatory environment: At ATL, we have capitalised on a stable regulatory environment marked by transparent contractual obligations on the one hand and a growing sectorial opportunity on the other, making it possible to mobilise international debt for patient investments in long-term infrastructure.

Group brand: At ATL, we are engaged in a business marked by B2B and B2C relationships. We have progressively leveraged the Adani brand, which is synonymous with corporate stability, operational efficiency, customer centricity and growth aspirations.

Sustainability: At ATL, we have demonstrated the sustainability of our business model through concurrent growth in capacity, revenues and surpluses without impairing the Balance Sheet in any way to address prospective needs. The combination of the

Pioneering

ATL's Capital Management Programme is directed to reduce interest costs, extend debt maturities and optimise the capital structure, resulting in a high growth-adjusted ROCE. In addition to organic growth, ATL added two marquee transmission assets to its portfolio, namely Alipurduar Transmission and Warora Kurnool Transmission during the year under review, moving closer to its stated goal of 20,000 ckt kms in transmission capacity by 2022.

US USD 1 Billion bond issue in January 2020 and the Qatar Investment Authority's acquisition of 25.1% stake in AEML for ₹32 Billion provides the company with a rolling capex facility of USD 400 Million to fully address a capex plan for ten years, ensuring business continuity.

Strategic partner: At ATL, we on-boarded Qatar Investment Authority as a strategic partner, strengthening access to funds and a robust long-term engagement. The entire equity proceeds of ~ ₹12 Billion was used to repay perpetual debt. The shareholder subordinated debt of ~ ₹20 Billion offers a capital buffer for growth.

Asset life: At ATL, the average residual concession life of our assets (transmission and distribution) was 31 years and 17 years respectively, indicating long-term asset relevance.

Critical mass: At ATL, we have acquired the critical mass (circuit km, revenues and EBITDA) of a robust platform to grow our business to the next level.

Twin revenue engines: At ATL, we have uniquely diversified our business away from a singular dependence on transmission revenues to distribution incomes as well (following acquisition), resulting in twin growth engines (regulated and assured returns coupled with competitiveness-driven TBCB revenues) that capitalise more effectively on India's power sector reforms.

Revenue broadbasing: At ATL, we draw our distribution revenues from 3 Million+ retail electricity households and 12 Million+ retail electricity consumers, broadbasing our revenues from concentration and risk.

Throughput-independent: At ATL, we have been engaged in the transmission business through throughput-independent contracts with our customers; this puts a premium on the company, making the network available at all times (as opposed to network available and throughout-based revenues).

Profit-kicker: At ATL, our established competence in commissioning enduring transmission line networks below budgeted costs and tenures provides the company with a competitive foundation on which to build the business, resulting in year-on-year profitability around 200 bps higher than the sectorial benchmark.

Liquidity: At ATL, we prioritise liquidity with the objective to be opportunity-ready for organic network growth and inorganic acquisitions. This liquidity has been enhanced through a conservative gearing that makes it possible to plough accruals into fresh investments. The company maintained an adequate liquidity of Net debt/ EBITDA of 4.7x as on 31st March, 2021 and full coverage for debt servicing for the forward 12 months through an adequate liquidity cover of more than 1.25x, protecting Balance Sheet hygiene in a growing environment.

Credit rating: At ATL, we were provided an international investment grade credit rating of BBB- / Baa3 by S&P, Fitch and Moody's, which made it possible to mobilise long-term debt at competitive rates across extended tenures, strengthening cash flows.

Prudent investment: At ATL, we have progressively invested in enhancing the contemporariness of our transmission and distribution networks; this has enhanced their availability to the highest prevailing standards.

Low equity load: At ATL, we have progressively invested in enhancing the contemporariness of our transmission and distribution networks; this has enhanced their availability to the highest prevailing standards.

Capital Management Programme: At ATL, we moderated our average cost of funds by 170 bps across six years ending FY 2020-21 (through our Capital Management Programme) even as we made USD 1.9 Billion worth of bond issuances for onward growth across two years. The result is that the company became more fiscally competitive through a progressively lower weighted average capital cost and improving Return on Equity even as it got larger.

Debt profile: At ATL, we mobilised debt to be repaid in 9.8 years (average); this tail-ended approach eased the repayment schedule and enhanced cash flows (available for onward reinvestment); in view of this long-term repayment record, the stable debt is virtually treated like quasi-equity. The company transformed its debt mix in favor of fully-hedged Dollarised debt – rising from 10% in FY 2015-16 to 74% in FY 2020-21, enhancing predictability in earnings irrespective of currency movements.

Capital churn cycle: The USPP (US private placement) case study empowered the company to churn the capital cycle through refinancing stabilised transmission assets, enhancing free cash flows.

Competitiveness: At ATL, the strength of the Balance Sheet has been under-pinned by competitive project rollout, which makes the company's cost per ckt km implementation one of the lowest in the world; this makes it possible for the company to report margins higher than the sector across the asset life cycle.

Strike rate: At ATL, we enjoy a strike rate of ~25% to 35% on new TBCB bids, making the company one of the largest beneficiaries of reforms in the country's transmission sector.

Revenue mix: At ATL, we have steadily increased the proportion of revenues derived from TBCB projects (32% in FY 2020-21 from nil% in FY 2015-16) with a corresponding capability in generating a return higher than the one assured by the government.

Pooling mechanism: At ATL, our receivables have been secured through a pooling mechanism that has minimised the counter-party risk and made the company discom-independent, protecting cash flows and enhancing surplus visibility.

Superior technology and asset utilisation: At ATL, we invested in cutting-edge technology and automation that enhanced asset utilisation, customer service and experience and operational integrity, strengthening the overall return on employed capital.

Annuity visibility: At ATL, there is a high revenue and profit visibility on account of the stability of contractual obligations, high network uptime and low operating costs, empowering the company to address the needs of all stakeholders.

Financial discipline

The company validated its financial discipline during the last financial year, which was among the most challenging encountered by the Indian economy in its existence.

Despite the first quarter of the last financial year being affected extensively by a lockdown, the company passed the year with 45% growth in cash profits and 82% increase in profit after tax.

The company reported a cash profit of 2,929 Crore in FY 2020-21, a period marked by declining GDP growth within India compare to 2,015 Crore in FY 2019-20.

During the previous year, the Company raised USD 2.3 Billion from the international debt market and USD 452 Million by way of a strategic sale to QIA, a sovereign wealth fund of the State of Qatar.

During the last few years, the Company has secured and strengthened its financial foundation with the objective to strengthen its outlook and emerge opportunity-ready.

In line with this objective, the company concluded its maiden US private placement (USPP) of a 30-year paper worth USD 400 Million, the first of its kind in India's transmission sector. The company completed the first US Dollar bond issuance of USD 1 Billion by a private integrated utility (AEML) from India. The company secured funding lines for the capex plans drawn up by AEML Mumbai's GTD business, in addition to a rolling capex facility of USD 400 Million. The company also raised USD 500 Billion, amortised over 16.5 years in the second tranche, to eliminate short-term refinance risks.

The result is that the company mobilised 10-year, 17-year and 30-year global debt papers, strengthening prospective cash flows.

The company optimised its RoE through efficient financing and sustained Investment Grade international credit rating and AA+ domestic rating that enhances access to low cost debt. Through the interplay of efficient projects development, competent operations and competitive capital management, the company was empowered to generate high returns on equity and engage in capital recycling. The company entered greenfield or inorganic initiatives within the desired risk appetite that makes it possible to achieve the targeted return.

The company reinforced its distribution business through the induction of a strategic long-term partner. Besides, the company continued to 'harden' assets by ensuring the highest quality of supply through the interplay of sustainability, reliability and affordability. The business invested in the future through advanced Supervisory Control and Data Acquisition (SCADA) technology, which enhanced operational seamlessness in addition to the integration with Geographical Information System (GIS). The result has enhanced service, moderated distribution loss and strengthened profitability.

How we transformed in the last few years

Credit rating

Unrated

FY 2014-15

BBB- / Baa3 by S&P, Fitch and Moody's

FY 2020-21

Liquidity buffer

4.6

X, Net debt / EBITDA, FY 2015-16

4.7

X, Net debt / EBITDA, FY 2020-21

The company enhanced Operational EBITDA 127% between FY 2015-16 and FY 2020-21; approximately 18% operating EBITDA CAGR was reported in FY 2016-21

Debt cost (weighted)

10.9

%, FY 2015-16

9.20

%, FY 2020-21

The company leveraged its Group credibility to moderate debt cost

Average long-term debt maturity

68

Months, 31st March, 2016

116

Months, 31st March, 2021

The company extended the long-term maturity of its debt with the objective of strengthening cash flows and resource stability



Outlook

The outlook is optimistic for the Indian economy in general and ATL in particular.

As India returned to buoyant growth (as witnessed in the last three quarters of the last financial year), ATL continues to be the best placed within India's transmission and distribution sector to capitalise: by being the lowest cost transmission sector proxy in a growing sector and for its established power distribution competitiveness in India's financial capital; for possessing a beta (capacity to resist declines in economic growth without Balance Sheet impairment; for a broad-based revenue mix comprising assured and TBCB revenues.

The company possesses adequate cash flows for investment in its transmission network; it is fully funded for its significant investment in AEML distribution business, enhancing medium-term project and revenue visibility.

Debt of 5+ years as % of overall debt

12
%, FY 2015-16

87
%, FY 2020-21

The company extended the long-term maturity of its debt with the objective of strengthening cash flows and resource stability

Dollarised debt (fully hedged) as % of overall debt

10
%, FY 2015-16

74
%, FY 2020-21

The company enhanced the fully hedged proportion of its debt to protect from unforeseen currency movements

Healthy pool mix

30
% of EBITDA from Central pool, rest from State pool, FY 2015-16

51
% of EBITDA from Central pool, rest from State pool, FY 2020-21

The company leveraged its Group rating and Balance Sheet strength to seek an extension in its debt tenure, strengthening cash flows

How we strengthened our Regulatory & Commercial platform

Our goal

20,000

ckt km capacity by 2022

Our platforms

- Domain knowledge
- Team experience
- Specialisation
- Cross flow Group exposure

Overview

At Adani Transmission, the platforms created by the Projects & Construction / Operations & Maintenance teams are complemented by the Regulatory & Commercial function.

This specialised intervention makes it possible to derive a grant of license, present tariff determination, adoption of computations and engagement in dispute resolutions with the objective of getting remunerated on time and in full, from the government.

This function is increasingly relevant to sustain cash flows and cover costs in a capex-intensive business so that returns remain commensurate with investments.

This warrants an ongoing understanding of prevailing statutory realities, any change in which could have a profitability impact and hence would need to be factored into the cost structure and renegotiated.

The need to remain relevant with the legal framework of the country warrants the ability to present evolving ground realities to the relevant government agency with speed and protect business viability.

Platform

At Adani Transmission, the management created a platform of competencies that can be scaled to respond to growing size of the company, enhancing process and functional visibility.

The platform holds relevance in a business marked by legal nuances and complexities, diverse external influences on costs and network operational complexities, which need to be factored into computation before arriving at the right network remuneration. This warrants domain specialisation, informed understanding and representation capabilities, minimising perception differences between the client and vendor leading to cash flow predictability.

The company's platform comprises the following features:

Domain knowledge: The Company comprises professionals with relevant domain knowledge in the field of regulatory and commercial functions, enhancing specialisation across the relevant regulatory universe.

Team experience: The team managing this function has been exposed to regulatory commissions; besides, the experience has extended to an understanding of inter-state and intra-state realities, AC and DC systems, pioneering exposure to HVDC (±500 kV transmission) in India's private sector and having handled three control periods marked by tariff revisions.

Specialisation: The company has focused on functional segregation within the team (Central and State), enhancing specialisation

Cross-flow: The team has emphasised a cross-flow of talent, enhancing a holistic understanding of the business, hedging probable people attrition.

Group exposure: The team enjoys access to the regulatory and commercial insights of the Adani Group.

Outcomes

The company enjoys an attractive success rate of claims presented, one of the highest in the country's transmission sector.

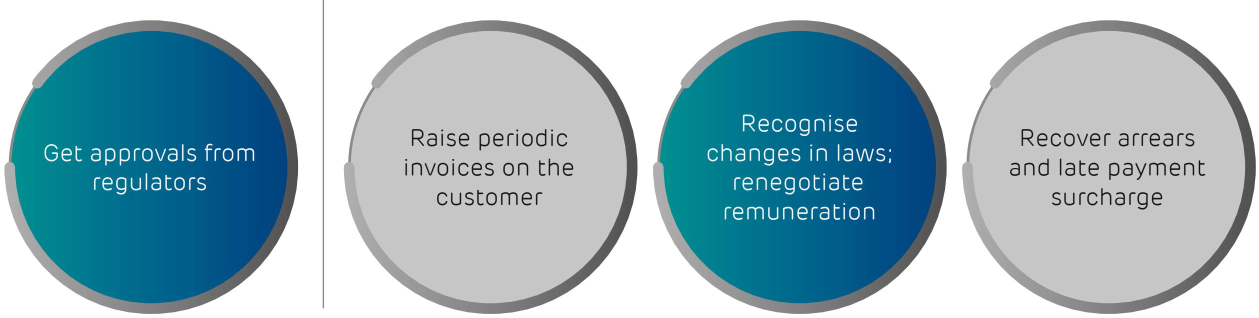
It possesses validated experience in the successful graduation of a dedicated transmission network into a licensed network with corresponding presentation of computational rationale; a proprietary network is now a revenue-earning and cost-recovering asset.

It has demonstrated a credible track record of getting licenses and tariff adoptions on time.

Majority of claims approved by the Appellate Tribunal, generating timely cash flows.

Regulatory function

Commercial functions



How we strengthened our Projects & Construction platform

Our goal

20,000

ckt km capacity by 2022

Our platforms

Group strength

Proprietary

Knowledge

ESG focus

Relationships

Integrated

Team-driven

Overview

At Adani Transmission, we believe that the profitability of a transmission network can be influenced even before a network has been commissioned.

The Projects & Construction function has become increasingly critical in the long-term success of transmission companies. Even as this function plays its role before the network is commissioned or can get into revenue generation, its growing importance is growing in a tariff-based competitive bidding environment. This criticality has been emphasised in a sector where cost/time overruns were common, affecting long-term viability.

A competent Projects & Construction function makes it possible for a transmission company to commission a network on schedule (or earlier) and at the indicated cost (or lower), making it possible for a company to generate revenues either on or before the contracted schedule and at a project cost that is either in line with the contract or lower, enhancing profit visibility. In a competitive environment, the role of this function has widened and now represents an effective platform for long-term sustainability.

Platform

At Adani Transmission, the management could have responded to each transmission line project on the basis of the existing urgency and challenge, evolving its response to each terrain, contract and situation.

On the contrary, the company created a sustainable platform comprising a range of competencies that can be leveraged or scaled to respond to a growing number of concurrent projects on hand and need for a consistently high project completion standard on the other, strengthening business continuity.

The platform holds relevance in a business marked by pandemic-like disruptions, right of way complexities, land handover issues, congestion, varying ground realities, compensation issues and local resistance (occasionally). In view of these varied challenges, the real risk of a delay in project completion and network commissioning could potentially stagger revenue accretion and diverge profitability from estimated projections.

The company's regulatory platform comprises the following features:

Group strength: The company leverages the rich holistic Adani Group capabilities across different energy forms (thermal and renewable) and functions (project management, operations & maintenance, global financing and managerial etc.).

Proprietary: The company has focused on developing proprietary project management capabilities comprising engineering design, materials procurement, Right of Way designing and project management (speed, cost and quality), making it possible to complete projects in line with demanding requirements.

Knowledge: The company built on knowledge aggregation and application; it developed on learnings aggregated in the process of designing power evacuation systems for the company's power plants across the decade; it invested in prudent recruitment, training and the creation of subject matter experts, strengthening specialisation.

ESG: The Company built deep Environment-Social-Governance competencies, resulting in a high safety standard across all sites, underlining the company's respect.

Relationships: The Company developed a stable and robust eco-system of established service and material providers, resulting in a familiarity with the company's established sequential workflow, supply chain practices and professional culture leading to low interest outflow during construction coupled with controlled project completion.

Integrated: The Company developed deep techno-commercial competence, which made it possible to estimate desired costs, necessary safety standards, warranted schedules and desired quality standards well before the project commenced; the competence also comprised a full-fledged engineering department possessing an insight into terrains, soil structures and construction complexities

Team-driven: The Company developed effective and validated on-the-ground capabilities (team architecture, size, delegation, training, outsourcing-insourcing dynamics, redundancy and equipment support)

How ATL addresses project challenges with competence

- The company encountered Right of Way challenges during the construction of the 400 kV Badla-Fatehgarh line that passed through a number of pomegranate farms. The company entered into a dialogue with the farmers and invoked the legal provision following which the issue was resolved. The line was completed on schedule in December 2020.
- The company encountered local terrain challenges during the implementation of the 765 kV Gathampur-Hapur line (single circuit) across a distance of 400 kms. The company engaged in responsible dialogues with various stakeholders that helped address the bottleneck, resulting in timely project completion.
- The company encountered an unusual challenge when constructing the 765 kV transmission line (single circuit) connecting Noida with Agra. The transmission line, it was felt, would obstruct the flight path related to the new proposed airport in Noida in addition to Right of Way objections raised by farmers. The company worked closely with the various stakeholders and completed the project on schedule.
- The company was implementing a transmission line from Roza to Badaun, which crossed Ramganga near Bareilly. The company encountered soil challenges; it designed a raft foundation around a well paint dewatering technology in a region with a high water table. The foundation proved robust, making it possible for the company to make timely progress.
- The company encountered challenging hilly forest terrain in Jharkhand when implementing a transmission line from Karanpura to Chandwa. The company designed a line route map that minimised environmental and farm impact, resulting in timely project progress.

Big numbers

~13,027
Ckt kms commissioned/ charged by the company until 31st March, 2021

~5,774
Ckt kms of projects under construction as on 31st March, 2021

100
% of projects commissioned within budgeted cost until 31st March, 2021

98
% of projects commissioned within the contracted timeline until 31st March, 2021

Competencies

Team composition: Recruitment of professionals with required technical, analytical and managerial competencies, team working orientation and team redundancy, strengthening business outcomes

Project acceleration: Completed HVDC project (~1000 km) in a record 24 months. First private sector company in the country to build ±500 kV High Voltage Direct Current (HVDC) with a system spanning ~1,000 kms, with a maximum capacity of 2,500 MW. First to use pre-engineered building solutions for valve chambers hall instead of conventional concrete structures.

Dependable: Completion of the critical project in difficult geographical terrain and critical right of way areas within cost and time on account of execution speed and decision making.

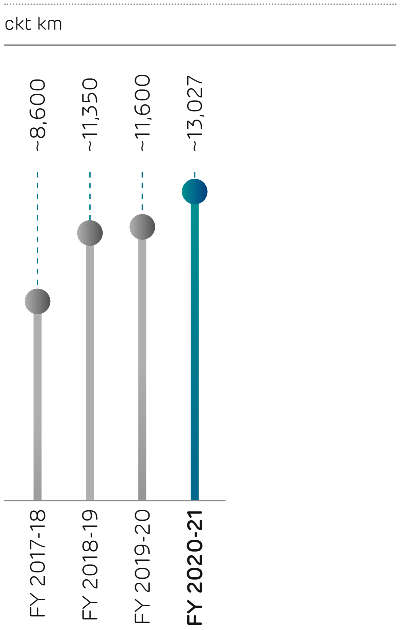
RoE optimisation: Optimisation of resources on account of route optimisation, execution strategy, innovative execution and engineering, coupled with superior project contracting.

Innovative tools: Use of advances tools by the design team, comprising PLS Tower and STAAD-PRO customised around site conditions and execution ease

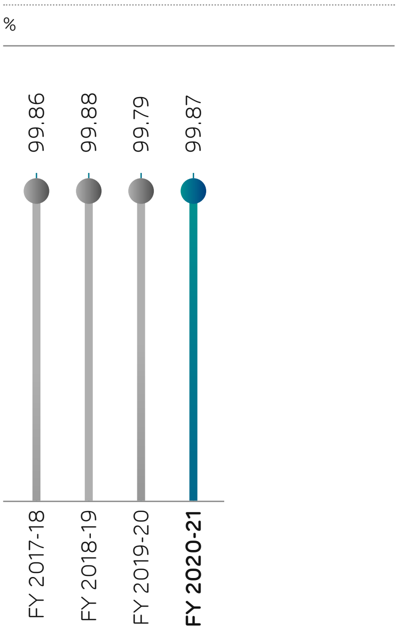
Technologies used by ATL for the first time in India's transmission sector

- First ±500 kV HVDC transmission line constructed by a private player.
- First 2 x 40% fixed series compensation used by a private player.
- First use of a steel valve hall in an HVDC project.
- First use of a Designed Delta Tower for 765kV Double Circuit line to comply with aviation no-objection requirements.
- First three gantry arrangement layout in the 765kV Rajnandgaon substation.
- First instance of long-distance communication across a 270 km transmission line without a repeater station (Raman Amplifier).
- First use of a six-phase string 400kV gantry at Sami.
- First use of a 765kV D/C transmission tower with Double Delta configuration.

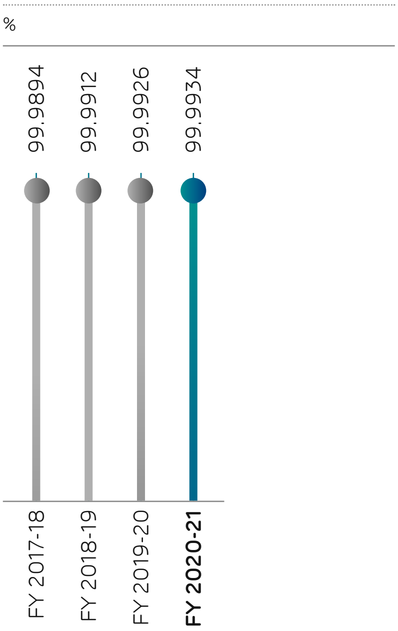
How we have created a robust transmission network



How we have reported among highest average transmission system availability rates



How we have sustained supply reliability in our distribution business



ATL achievements that were pioneering in India's transmission sector

- Construction of the longest HVDC transmission line by a private sector player in India
- Completion of projects ahead of schedule to eliminate project-related uncertainties
- Completion of all projects within approved costs on account of execution speed and superior inventory management

ATL's diverse project competence

- Outcome orientation
- Planning & organising
- Strategic orientation
- Stakeholder partnering
- Team orientation
- Persuasiveness
- Team redundancy
- Analytical skills

Additional information for our stakeholders

Delays in projects due to environmental clearances

For transmission projects environment, clearance under EIA notification is not required. However, whenever transmission lines are to traverse through forest or wildlife-rich areas, the Forest / Wildlife clearance from MOEF and CC becomes necessary.

The measures taken by the company to mitigate risks related to project delays comprise the following:

- Development of a dedicated team for forest / wildlife clearances at the head office and site levels.
- Proactive preparation of the proposal and processing of proposals.
- Creation of a strong database for FC approval procedures in different states.
- Engagement in policy advocacy with the state and central governments for digitised land records (Revenue/Forest).

The Company seeks 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 the event of delays, correspondence is entered into with the concerned authorities, regulatory commission and LTTC to mitigate punitive action. Force majeure notices are issued to the concerned authorities so that timeline extension is granted by the regulatory commission for work completion.

Impact on projects due to COVID-19

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 supports the Group's strategy by managing risks that can impact business assumptions. Ensuring supply of power and infrastructure during the COVID-19 crisis was a testimony of the ERM robustness.

As power generation, transmission and distribution were classified as 'essential' by the government, the company remained operational during the lockdown in accordance with the guidelines issued by the Ministry of Home Affairs and relevant State governments. However, workflow was affected due to restrictions imposed by the government and worker apprehension. 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.

At ATL, the steps to mitigate key risks comprised the following:

- Sufficient material stocked at the site to address construction requirements for four months

- Local third party agencies engaged for material inspections; whenever factory visits for inspections were not feasible, inspection was done through the digital mode.
- Counselling for the leader of workers to boost morale, provide incentives, take affirmative actions for safety and fulfil basic needs.
- Engaging in local recruitment to bring new worker teams, utilising relation/contact-based resources and assuring workers of medical support, incentives, transportation, food and shelter.
- Early vaccination of all staff including contractor manpower and groups.
- Conducted weekly medical checks to protect the health of workers; collaborated with hospitals for assistance.
- Followed guidelines by respective governments coupled with steps for project sustenance.
- Sustained the Project Management team at the corporate office, possessing experience in the execution and monitoring of transmission projects.

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 countered. Vide the government notification dated 27th July, 2020, the company extended the SCOD by five months to mitigate supply chain and manpower disruption.

How we strengthened our Operations and Maintenance platform

Our goal

20,000

ckt km capacity by 2022

Our platforms

- Proprietary
- Eco-system
- Centre of Excellence
- Centralisation
- Futuristic
- Predictive
- Investments
- Dynamic response
- Discipline
- Process discipline

Overview

The operations and maintenance function is increasingly critical in the transmission sector for a number of reasons.

In a competitive sector where assets need to be maintained for 35 years or more, there is a need for constant network surveillance and protection.

The government-mandated requirement to provide uninterrupted electricity is prioritised. There is an incentive on the ability to maximise asset uptime beyond the government-specified normative availability with the objective to generate bonus revenues (and vice versa).

There is a focus on maximising network availability & reliability in view of the high cost of downtime on revenues and profitability; on the other hand, a well-maintained network enhances asset predictability and life.

In view of these realities, there is a growing appreciation that after a network has been commissioned, competent asset maintenance represents the heart of systemic robustness.

Platform

At Adani Transmission, the management could have focused on the usual competencies required to enhance asset effectiveness. The company extended beyond the usual; it created a platform comprising a range of competencies that could be leveraged with the objective to respond to growing organisational scale on the one hand and increasing complexity on the other.

The platform holds relevance in a business where the company's transmission lines may be dispersed across the country, may experience occasional downtime and where every lost minute represents revenue erosion. Besides, there is a growing premium on the need to moderate operations and maintenance costs to enhance profitability.

The company's platform comprises the following features:

Proprietary: The Company has focused on developing proprietary network management capabilities to enhance speed of addressal and moderate costs.

Eco-system: The Company has developed an eco-system to indigenise a large proportion of materials and components used in network maintenance, reducing costs and response time.

Centre of Excellence: The Company has positioned its Operations & Maintenance function around the concept of a Centre of Excellence, attracting specialised talent (subject matter experts) and establishing operational benchmarks higher than prevailing industry standards.

Centralisation: The Company centralised its O&M function in a single location from where it leveraged virtual remote management technologies to monitor network health in real time.

Futuristic: The Company's O&M function focused on emerging standards with the objective to be future-ready.

Predictive: The Company invested ahead of the curve to extend from the reactive to the prospective and from a review of patterns to predictive studies that indicated probable network issues in the future.

Investments: The Company made timely investments in technologies (field sensors, analytics and RCA) with the objective to strengthen its 3R's (run, repair and replace), retaining its position as one of the most responsive O&M practices within the country's transmission sector.

Dynamic response: The Company demonstrated a real-time response to evolving climatic realities (change in wind zones, rivers changing course, heat waves and probable cyclonic actions), terrains, societies and other influences

Discipline: The company implemented three-tier maintenance (local, cluster and central) conducted at periodic intervals or when necessary, enhancing systemic integrity

Process discipline: The Company graduated standalone pockets of competence into institutionalised competencies based on SOPs, checks, balances, documentation and best practices

Centre of Excellence

The company commissioned Energy Network Operations Centre (ENOC), positioned as a center of excellence of all energy technologies employed at the Adani Group (thermal, renewable and transmission). This consolidation of capabilities into a knowledge hub has facilitated the cross-flow of knowledge leading to informed decision-making.

The company commissioned Energy Diagnostics and Energy Support (ENDORSE) comprising the coming together of subject matter experts across 18 competencies, their asset maintenance capabilities benchmarked as per global standards. This hub of energy sector wisdom comprises professionals with deep academic knowledge, rich industry experience and thought leaders empowered to graduate the company to the next level.

The company's data analytics team leverages the state-of-the-art ENOC for centralised asset monitoring. Our predictive and prescriptive approach is derived from real-time responsiveness and string-level analytics. In addition to vigilance, the company invested comprehensive contract management frameworks and annual maintenance contracts to protect asset operational integrity leading to uninterrupted performance.

The complement of ENDORSE and ENOC has strengthened a culture of urgency, deepened a commitment for problem-solving and moderated downtime.

The highlight of ENOC's competence will lie in the proposed commissioning of unmanned network and sub-station surveillance from FY 2021-22.

Operations monitoring technology

The company is engaged in strengthening its technology platform through its decision to invest in the next generation Operations & Maintenance technology.

The conventional approach was to invest in SCADA or analytical platforms, equipped to capture data but not in terms of powering proactive decision making. The company graduated to a cutting-edge technology in FY 2020-21 equipped to capture efficiency readings from the macro to the micro levels, compare retrospective patterns with those emerging in real-time and discern deviations leading to proactive predictive analyses.

What makes this vastly superior to preceding technology generations is the ability to develop insights into numbers and issues at the string level – the lowest common denominator – prompting an informed bottom-up problem resolution.

The technology has substantially moderated the proportion of problems needing manual sifting and identification, resulting in enhanced correction effectiveness.

The technology has graduated the company from the need to absorb the best global capabilities to strengthening its understanding of technologies and emerging as a benchmark.

The technology provides the company with the operating room to incorporate learning from different sectors into a deeper understanding of its application versatility.

The technology has empowered the company to reduce mean time to repair (MTTR) while increasing the mean time between failures (MTBF), strengthening systemic efficiency.

The company's investment in Asset Performance Management system strengthened a culture of prescriptive analysis (over the conventional predictive)

Efficient maintenance culture

The company created a three-tier maintenance architecture where daily / routine / breakdown maintenance was addressed through site-specific / cluster and centralised approaches.

The consolidation of maintenance professionals and spares in a centralised location helped moderate costs without compromising responsiveness.

The company's 'Map in SAP' programs helped address deviations from the established operational mean.

The company instituted Job Safety Analysis, which comprised as recommended procedure across all initiatives covering the use of personal protective equipment, toolbox provision and JSA awareness before allocation work to any worker

The company classified spares as VED (vital-essential-desirable) and FSN (fast-slow-non-moving), smoothening inventory requirements.

The company implemented the S+5S system, which defined workplace management processes.

Asset health management (Condition monitoring)

The company graduated from time-based management to condition-based management of equipment health. It intensified training in the performance monitoring of critical equipment (transformers/reactors and circuit breakers). It developed an objective, parameter-based health assessment of equipment and exploring digital tools. The company explored the use of digital tools (digitised temperature data) for real-time monitoring.

The company undertook Proof of Concept (PoC) assessment of various new digital equipment and sensors to gauge the health of transformers/reactors and circuit breakers. It is exploring robotic technology for the inspection of transmission lines in addition to the digital enablement of ground staff. It collaborated with network operators like Powertel to enhance systemic reliability and asset availability.

The company is exploring to deploy mobile maintenance crews at strategic locations. It is exploring inspection technologies (drones and satellite imagery) in addition to robotic inspections. It is engaging with premier academic institutions to explore indigenous design and development. It conducted technical audits across locations and systems, providing a comparative health assessment, maturity and benchmarking insights.

Knowledge capital

The team comprised skilled professionals drawn from large and respected public sector units where these executives were exposed to project scale, complexity and regulatory realities.

The company's O&M operations comprised the following capabilities that covered virtually every competence required for the successful conduct of this business support function, reflected in productivity, ramp up and cost economies.

- Operations of EHVAC and HVDC assets as per defined Indian grid code
- Manage assets in accordance with applicable health, safety and environment regulations
- Remote operations of substations
- Transformer health analysis through the indexing model
- Preventive and routine maintenance to avail 100% asset availability and enhanced lifecycle
- Condition-based maintenance
- Cold line dry cloth cleaning
- Hotline insulator washing and replacement
- Restoration of transmission line using ERS & Hot line maintenance
- Predictive maintenance
- Root cause analysis of substation and transmission line failures
- Dissolved gas analysis
- Tower footing resistance measurement
- Drone surveillance of the transmission line
- Corona and thermo-scanning
- Installation and commissioning of SS equipment
- Pre-commissioning tests of S/S equipment
- Pre-commissioning checks of transmission line
- Post-commissioning, smooth transition from Project to O&M

- Prefeasibility study for new asset formation
- Load flow and line charging analysis
- Short circuit and motor starting analysis
- Dynamic stability studies
- Special protection schemes (SPS)
- Reactive power compensation studies
- Due diligence of assets for acquisition
- ISO standards audits
- Regulatory compliance audits
- Modification of existing line
- Emergency restoration system up to 765 kV
- Emergency responsiveness / trouble shooting

Outcomes

The efficacy of the company's O&M function has been showcased in its high network availability and consistent eligibility for incentives based on network availability higher than the normative.

The company demonstrated a lower number of network tripping across like-to-like conductor kilometers, technology-driven savings benchmarked with the best global standards and increased digitalisation.

In turn, these capabilities translated into among a complement of optimised maintenance costs, network utilisation and system availability.

Integrated Management System: Minimising community and environment impact

Certified for nine ISO standards:

ISO 9001:2015 for Quality Management System	ISO 14001:2015 for Environmental Management System	ISO 45001:2018 for Occupational Health and Safety
ISO 50001:2018 for Energy Management System and ISO 55001:2014 for Asset Management System	ISO 27001:2013 for Information Security Management System	ISO 22301:2019 for Business Continuity Management System
ISO 27031:2011 for Information and Communication Technology (ICT) Readiness for business continuity	ISO 26000:2010 for Social Responsibility	The company is seeking certifications for SA 8000:2014 for Social Accountability

Pursuing quality certifications

• Quality Circles • 5S certification • Six Sigma and Malcolm Baldridge Model

Our key O&M drivers

Pursuit of knowledge	Process discipline	Passion of outperformance	Dependence on data and analytics

Outcomes of our O&M discipline

Network availability

99.79 % Availability, FY 2019-20	99.87 % Availability, FY 2020-21

How ENOC is enhancing value

Complete automation

- Minimal manual intervention
- Lower maintenance cost
- Prudent use of machine learning (ML)
- Enhanced predictive maintenance

Data in real-time

- Ability to access network performance data anywhere (desktop and mobile) and anytime
- Access to data (real-time and historical)
- Basis of timely responsiveness in the event of deviations
- Higher network availability
- Higher performance ratio

Business intelligence

- Leverage analytics and machine learning
- Enhanced operational performance
- Benchmarking with the best global standards
- Graduating from predictive to prescriptive responsiveness

Impact on operations due to COVID-19 and mitigation measures

The Operations and Maintenance team implemented the following safeguards:

Safety: Mock quarantine drills were conducted at various sites. Revised health and safety guidelines were issued, virtual groups were created to track real-time health status and daily motivation programmes were introduced.

Substations: Most operations were managed from local control rooms inside their substation premises, making it difficult task to manage talent. Various guidelines were developed to protect talent. Supplies was stocked with emergency preparedness.

Transmission lines: Resistance during patrolling was encountered from locals due to a fear of virus spread. The operations were re-formulated and prioritised based on their criticality coupled with support from local administration.

Inventory management an OEM support: Virtual support from OEMs was sought to counter temporary challenges; inventory was planned more rigorously.

The pandemic has paved way for remote and humanless operations of substations with a specialised maintenance crew. Realtime dashboards of assets through sensorisation are expected to enhance uptime and responsiveness.

Our Technology Management Platform

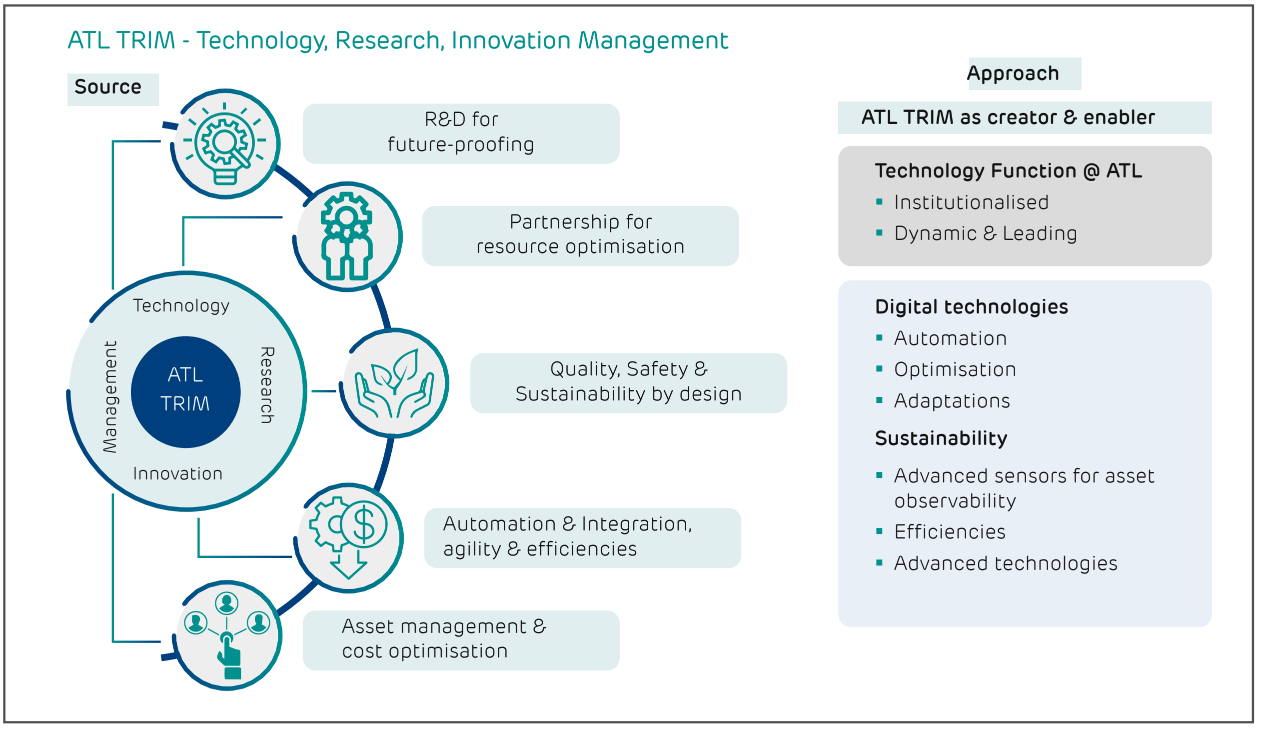
Technology, Research, Innovation, Management (TRIM): A collaborative innovative research, technology development and integration ecosystem.

Categories: Core operations technology / Digital technologies /. Sustainability technologies.

Initiatives: Digital Technology & Operations Technology Roadmap (ATL DTR) for execution and operation excellence, developing, integrating the emerging technologies.

An eye on the future: Promoted iCUBE (an industry-institute interchange platform for industry-aligned indigenous technology development and co-development or knowledge exchange with academia and R&D organisations, mentoring start-ups. Created to incubate and nurture innovation in grid technologies. Focused on the development of high-impact solutions. Solutions were directed at economic efficiency and stable / secure grid. Strategic collaborations were forged with OEMs, R&D institutions and academia. Focus on establishing itself as a Global Resource Centre for grid solutions. Integrated with various teams (Projects, O&M, customers, OEMs, R&D labs and other stakeholders). Comprises three categories (Core business operations technology / Digital technologies and Sustainability technologies).

Desired outcomes: To increase plant life and performance, enhance utility, moderate costs and enhance competence in new technologies.



An eye into the future

- Set up iCUBE: An industry-institute interchange platform for industry-aligned indigenous technology development and co-development, knowledge exchange with academia and R&D organisations, while mentoring start-ups.
- Created to incubate and nurture innovation in grid technologies.
- Focused on the development of high-impact solutions.
- Solutions directed at economic efficiency and stable / secure grid.
- Strategic collaborations with OEMs, R&D institutions and academia.
- Focused on establishing itself as a Global Resource Centre for grid solutions.
- Integrated with various teams (projects, O&M, customers, OEMs, R&D labs and other stakeholders).
- Comprises three categories (Core business operations technology / Digital technologies and Sustainability technologies).

iCUBE – an eye into the future

- ATL's Industry – Institutions Interchange Platform – iCUBE
- A vibrant platform bringing together Startups and Academia for Industry Centric Solutioning.

Innovating and R&D, New Technology Integration, Market Modelling & Scenario Analysis and mutual Capacity & Competence building, Knowledge Sharing

- To create a Common Resource Pool for joint R&D Projects – addressing long-term technological needs of industry

Policy, Regulations & Market Analysis Platform:

- Impact assessment, advocacy, technology forecasting

Modelling & Simulation:

- Market research, Modelling & Simulation, Projections for future readiness

Capability building & Professional Growth:

- Internships – UG, PG, PhD Thesis co-guides & live projects – Industry Problems
- Students – Competency – KSA links
- For Industry professionals – WIL. HE

Shared Resource Platform

- Labs, R&D, Live Projects Pilots, Designing experiments.
- New Technology Evaluation
- Knowledge Sharing & Consulting opportunities

Desired outcomes

Increase asset life and performance, enhance utility, moderate costs and enhance competence in new technologies.

Case study: Use of drones for the inspection of transmission lines

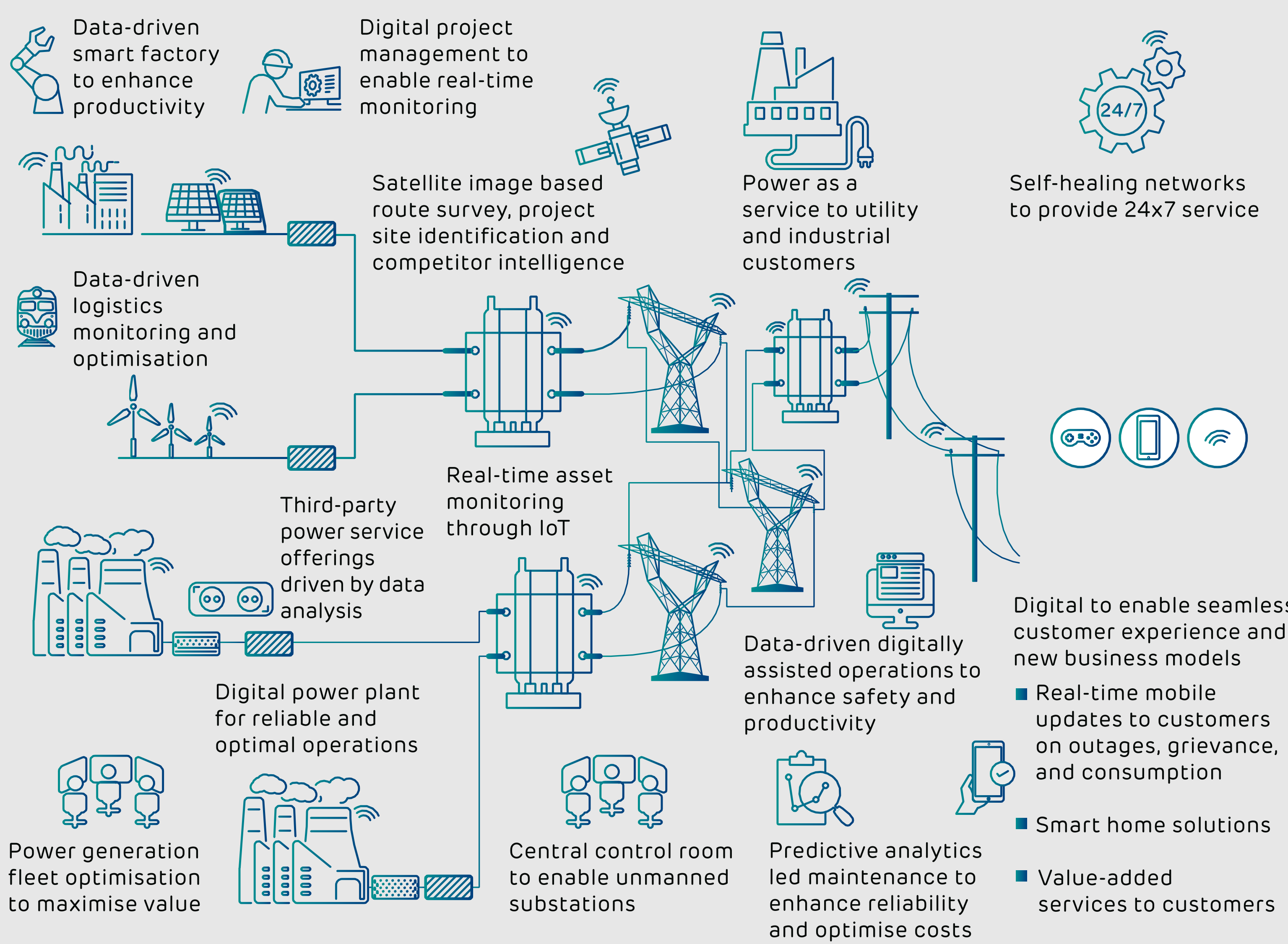
The inspection of high voltage power transmission lines was conventionally carried out on foot, increasing time and errors. An unmanned aerial vehicle (drone) inspection is under development in research centers to enhance efficiency, safety, speed and asset longevity. The company engaged in a pilot project across a section of the 400 kV Rajgarh Karamsad transmission line in Gujarat. The team was deployed across 1.9 km (six towers) in the Dahod section. A thermovision inspection with the drone proved successful, strengthening the case for human-less surveillance.

Case study: Use of indigenous PLC & SCADA in controlling transformer cooling system

At +/- 500kV HVDC Mundra Terminal, 498 MVA, seven converter transformers were used. The PLC system coordinated cooling fans and pumps, which ensured that the rated load was transformed without overheating the windings. When downtime happened, there was a lead time in sourcing material from abroad. Following a series of failures, indigenisation was explored to control fan and pump cooling.

The challenges were varied. The company persisted and eventually the PLC indigenisation resulted in the development of an alternative at a fifth of the cost of the imported equivalent, coupled with increased use and adaptability.

T&D Technology Flow



Responding to global certifications

ISO 9001:2015 - Quality Management System (QMS)

This Quality Management System was introduced to provide services meeting customer expectations and regulatory requirements in a sustainable way while moderating operating risks. The QMS approach enabled ATL to plan processes and interactions. Risk-based thinking enabled the company to determine factors influencing processes, minimise downsides and maximise opportunities. The company reported 100% audit compliance (stores, earthing, structure, construction and technical) and 100% calibration of instruments and load testing of T&P.

ISO 14001:2015 - Environmental Management System (EMS):

The Company needed to achieve a balance between the environment, society and economy without compromising the ability of future generations to meet their needs. ATL adopted a systematic approach to environmental management by implementing environmental management systems with the aim of contributing to the environmental pillar of sustainability.

The company's systematic approach towards EMS contributed to sustainable development in the following ways: prevented or mitigated adverse environmental impacts; mitigated the potential adverse effect of environmental conditions; helped fulfil compliance obligations; enhanced environment performance; controlled or influenced the way ATL's services are designed, distributed, utilised and disposed using a life cycle perspective; strengthened ATL's market position; communicated environmental information to relevant interested parties.

The achievements: Extensive rainwater harvesting at Akola and Koradi stations, single use plastic certification at Koradi, Mundra and Mahendragarh stations and ongoing greening of six sub-stations (Sami, Mahendragarh, Alwar, Rajnandgaon, Morena and Didwana).

ISO 45001:2018: Occupational Health & Safety Management System (OH&S):

ATL's OH&S management system provides a framework for managing OH&S risks and opportunities. ATL's objective is to prevent work-related injuries and ill health to workers through preventive and protective measures. The achievements: Standard Operating Procedures (183), safety risk field audit or SRFA (1224), employees trained on safety interaction, incident reporting and investigation, SRFA and CSM (1680), safety interactions (3858) and mock drills (417).

ISO 50001:2018 - Energy Management System (EnMS):

At ATL, EnMS is helping establish systems and processes to improve energy performance (efficiency, use and consumption). The achievements have been complete energy meter installation (for consumption monitoring), complete energy consumption as per Energy Baselines (EnBs), complete DG set efficiency monitoring, complete monitoring and utilisation of solar energy at Akola, Koradi and Mahendragarh stations and the complete solar implementation and utilisation at Sami, Morena and Rajnandgaon stations.

ISO 55001:2014 - Asset Management System (AMS):

At ATL, the asset management system is streamlining business processes to ensure that all the assets are safe, legal, and efficient. The achievements: minimum forced outages, complete plant maintenance activity as per the baseline and complete compliance of the Strategic Asset Management Plan.

ISO 27001:2013 for Information Security Management System (ISMS):

At ATL, ISMS is streamlining processes to protect information, effective data management and IT assets. It is integrated and scaled with the organisation's processes and management structure. It is considered in the design of processes, information systems and controls.

ISO 22301:2019 for Business Continuity Management System (BCMS):

ATL developed a structured business continuity management system (BCMS) to address the amount and type of impact following a disruption. BCMS implementation enhanced its responsiveness structure. The achievements comprised: Table-top exercise/ Pre-mock drill meeting (128), BCMS-related mock drills (64) and Testing-exercising scenario (32).

SA 8000:2014 for Social Accountability (SA):

SA guides ATL towards compliance with global standards and reduce risks from negligence, public exposure and litigation. The achievements comprised the following: POSH Committee Formation and formation of a Social Performance Team.

ISO 26000:2010 for Social Responsibility (SR):

At ATL, social responsibility contributes to sustainable development. The achievements comprise: HSE campaign during the Road Safety Month.

ISO 27031:2011 for Information & Communication Technology readiness for Business continuity (IRBC):

At ATL, ICT readiness is an essential component for the implementation of business continuity management (BCMS) and information security management (ISMS). As a part of the implementation and operation of an information security management system (ISMS) specified in ISO/IEC 27001 and business continuity management system (BCMS) respectively, ATL implemented a readiness plan for the ICT services to help ensure business continuity.

Case study | How we restored an important asset in quick time

On 2nd June, 2018, a permanent fault developed in the company's 765 kV Tiroda-Koradi Line-II. As restoration of the original towers was taking long, it was decided to restore the line on the Emergency Restoration System. Accordingly, ERS was shifted to the site from the Koradi stores; teams were mobilised from other regions. The team faced challenges related to the clearance of right of way, pressure to restore high tension lines, political interference and continuous rain.

Following the trained team's dedication, the line was restored on ERS within 15 days and restored on its original coordinates with just a month.

Over the years, ATL invested in three sets of emergency restoration systems in accordance with IEEE standards (lightweight modular aluminum alloy structure components, insulators and hardware, anchoring systems, computer software and critical spares). This resulted in India's highest network availability of over 99.80%, corresponding to the best global standards.

How we have created a robust power distribution platform

Our goal

To emerge among the largest power distribution businesses in India's private sector

Our platforms

- Superior service
- Leveraging experience
- Technology investments
- Operational excellence
- Capital management program
- Renewable energy

Overview

Adani Electricity Mumbai Limited (AEML) was formed following the acquisition of Reliance Infrastructure Limited's integrated generation, transmission and distribution utility business.

AEML's distribution network comprises more than 400 sq km, addressing the electricity needs of over 3 Million Mumbai households (Bandra to Bhayandar on the western side; Sion to Mankhurd on the eastern side). AEML has been Mumbai's primary electricity supplier for 93 years.

At AEML, we believe that the opportunity to provide power to India's financial capital at a reasonable and stable cost will enhance the viability of the metropolis across competing cities and, in doing so, strengthen national competitiveness.

Challenges

The Mumbai distribution market is one of the most challenging. The dense nature of the market, coupled with underground cable network and high real estate value, puts a premium on the ability to invest in or alter infrastructure. The Mumbai market is unique in India's distribution space as it is marked by two competing service providers, providing consumers with choice. Mumbai is one of the most informed and demanding distribution markets in India, putting a premium on consumer service.

Initiatives

On the power generation front, the company graduated from core base load to flexible base load, moderating its technical minimum level from 55% to 30% at the Dahanu embedded generating plant. The company also enhanced flexibility in its Dahanu generating plant to ramp generation up or down by 2.5% from the erstwhile 1%, enhancing responsiveness to internal and network needs.

The company made operational improvements in its Dahanu generating plant to accommodate imported coal with a higher gross calorific value from a maximum 25% to 70% with the objective to capitalise on favorable international prices and better economic value.

On the consumer service front, the company migrated its conventional cash collection system from the legacy physical queues to standalone 24x7 kiosks accepting multiple payment modes (cheque, cash and credit card), strengthening collection efficiency and cash flows.

The company revamped its mobile app to facilitate a better consumer engagement and service resolution; the app was rated as the best within the country's distribution sector.

The company enhanced operational efficiency through altered workflows, mobile app-based work allocation and workflow management, making it possible for on-site problems to be addressed quicker and worker productivity to increase.

The company invested extensively in network digitalisation and automation.

Technology at AEML

AEML is making focused technology investments with the objective of transforming consumer experience.

- The company has embarked on the rollout of smart meters across Mumbai
- It invested in cutting-edge platforms directed towards superior network management (Advanced Distribution Management System and an upgraded Customer Relationship Module)
- It invested extensively in data analytics leading to informed decision-making across operations and consumer service
- It embarked on consolidating 12 stores into a centralised warehouse facility, moderating inventory, optimising real estate costs, enhancing accessibility and strengthening operations.

Strengths

Value chain: AEML (through itself and ATL) is present across the entire electricity value chain (generation-transmission-distribution), enhancing sectorial understanding and tacit knowledge.

Brand: AEML enhanced its own and Group brand through its presence in a core service sector in India's financial capital and touching ~12 Million lives by emerging as an electricity supplier of choice.

Stability: The company delivered a stable EBITDA through optimised power purchase costs and revenue gap arrangement despite COVID-19 affecting energy consumption

Partner: Qatar Holding LLC, a 100% subsidiary of Qatar Investment Authority (QIA), invested ~₹3,220 Crore for a 25.10% stake in AEML and shareholder subordinated debt in AEML

Service: AEML's unmatched service comprises multilingual bills, 2,000+ payment avenues, 24x7 multilingual toll-free numbers, modern video-calling customer care and a bouquet of technology-driven value-added services

Experience: AEML inherited more than nine decades of Mumbai electricity distribution experience, knowledge and best practices

Capital management program in place: AEML completed the first USD bond issuance by a private integrated utility from India, mobilising USD 1 Billion at a 3.949% coupon rate with a bullet maturity for 10 years (issue oversubscribed 5.9x) with a complementary rolling capex facility of USD 400 Million

Outlook

At AEML, our objective is to keep improving our operational and service standards in line with the best distribution sector standards across the world.

With Mumbai's electricity demand expected to touch 5,000 MW across the foreseeable future and transmission capacity at only 2700 MW, AEML expects to draw additional power from the national grid to the city. The company applied for licenses with Maharashtra Electricity Regulatory Commission (MERC) to commence two key projects to enhance electricity availability to Mumbai by 2,000 MW.

The company intends to sustain investments in automation and technology-enabled service delivery, processes and training modules to moderate T&D losses; it plans to increase distribution automation from 40% to 100% in five years while deploying advanced sensors and adopting artificial intelligence and machine learning.

The company intends to launch more than 700,000 smart meters, the country's largest outlay, from April 2021, empowering Mumbai consumers to monitor and optimise their consumption through contactless meter reading and billing.

The company intends to widen the number of Mumbai customer touchpoints from over 90 self-help kiosks to over 200 kiosks by March 2022, ensuring that customers do not need to travel more than 2 km to be serviced (the company launched a video contact centre in April 2021 for consumers to be serviced at home by connecting with AEML virtually through appointment).

The company intends to modernise its distribution network and enhance consumer value, enhancing market share and consumer wallet share.

It intends to leverage the power of its connect with consumer and extend services beyond electricity distribution.

It intends to significantly increase the proportion of renewable energy within its delivered electricity mix – to 30% by FY 2022-23, one of the highest proportions of renewable energy across any large urban cluster in India. In accordance with the Central government's policy, the company invited competitive bidding for supplying renewable power and secured availability of 700 MW.

The unique experience of managing the only competitive distribution market in India is expected to enhance the company's bandwidth to address any emerging pan-India opportunity with competence.

**Mumbai is the only distribution area supplied by two distribution companies, providing consumers with a choice in selecting its electricity supplier.*

The smart meters game-changer

Smart meters measure electricity consumption in real-time. They transmit data to a power supplier, show readings and can provide the calculated cost of energy on a user display.

As part of a complex energy management system, a smart meter becomes a major data source for power consumption, monitoring, control, load and energy storage management, integration of solar and other renewables into the grid as well as dynamic utility pricing.

Smart meters facilitate accurate cost calculation and provide unmatched transparency. The result: households can track consumption in real-time, identify waste points and control spending.

In view of these realities, AEML intends to introduce, accelerate and complete the rollout of smart meters across its licensed area (starting with 700,000 meters in FY 2021-22). The company intends to leverage this technology-led development to introduce forward-looking services like time-of-day-tariff, incentivise consumption shifts in non-peak periods, strengthen systems availability and enhance return on infrastructure.

The result: AEML intends to enhance FMCG-isation, graduating consumer service towards delight.

Big numbers

3
Renewable procurement as a % of our delivered electricity mix, FY 2020-21

~30
Renewable procurement as a % of our delivered electricity mix, FY 2022-23

AEML and sustainability

Increased electricity procurement from renewable energy sources	Replacement of HPSV lamps with LED lamps in streetlights	Progressive replacement of petrol/ diesel vehicles with an electric fleet	Use of non-carcinogenic biodegradable silica gel in transformers
Replaced oil-type switchgears with dry-type, maintenance-free switchgears	Deployed environment-friendly natural ester-filled transformers	Supported consumers for the installation of roof-top solar panels	Licensed and competent to handle hazardous wastes
Implemented energy conservation measures (nano-molecular thermo conductive additive treatment for air-conditioning system)	Implemented quality, environment, health & safety voluntarily; audited (as per Integrated Management Systems)	Commissioned 9 EV charging stations	Certified as Single Use Plastic Free in its power generation business

How we strengthened our operations and enhanced consumer value

System availability

99.9926
System availability (%), FY 2019-20

99.9934
System availability (%), FY 2020-21

Impact: Increased reliability

Tariff decline

9.18
Tariff (₹ per kwh) before April 2020

7.47
Tariff (₹ per kwh) after April 2020

Impact: First tariff decline in three years

Complaints decline

26
% decline in complaints relating to no power supply, FY 2020-21

23
% decline in other service complaints, FY 2020-21

Impact: Superior brand

E-payment receipts

49
Percentage of receipts through e-payment, FY 2019-20

67
Percentage of receipts through e-payment, FY 2020-21

Impact: Improved cash flows

Cash collection efficiency

<50
%, Cash collection efficiency during April, 2020

>100
%, Cash collection efficiency since August, 2020

Impact: Superior cash liquidity

SAIDI (disruptions)

39.12
Minutes per consumer per year, FY 2019-20

34.38
Minutes per consumer per year, FY 2020-21

SAIFI (disruptions)

1.24
Events per consumer per year, FY 2019-20

1.11
Events per consumer per year, FY 2020-21

OAIDI (interruption)

31.46
Customer average interruption duration index, FY 2019-20

31.11
Customer average interruption duration index, FY 2020-21

Mumbai: Key distribution market characteristics

Area (sq. km)	400
Connected households (Million)	3.068
Maximum demand (MW)	1,519
Sales in Million units (including wheeling)	8,889
Consumption / consumer / month (units)	241

Climate awareness

Environmentally Compliant Generation at ADTPS

100%	Fly ash utilisation
FGD	First FGD installed in India
Washed coal	100% mix of higher quality and cleaner washed coal

Transmission and Distribution

Ester	Using environment-friendly esterfilled transformers
Switchgears	Oil-type switchgears being replaced by dry-type maintenance-free switchgears
LED	Installed LED lamps for streetlights reducing carbon footprint

Initiatives taken up to promote the use of high energy-efficient products

Young Energy Savers (YES) shines brightly across 220 schools and Lakh of houses	How do you decide which energy-efficient products to choose
Exchange your old refrigerator and get discount up to 47%	Exchange your old ceiling fan for a new 5-star rated fan

MERC approved scheme

Programme	Savings in Million units (MU) FY 2020-21
DSM 5 Star Ceiling FAN (BLDC) program	0.090
DSM 5 Star Refrigerator Program	0.613

Note : DELP 7 W bulb/ UJALA 9 W bulb/ 20 W FTL - Program closed by Energy Efficiency Service Limited (EESL).

Yes Programme

The Young Energy Savers (YES) programme was initially conceptualised to drive informed energy usage decisions at a household level by creating awareness among children. The programme comprised various activities such as walkathons, marathons, radio contests, and art competition, among others. Soon the initiative turned into a movement, with more than 2,20,000 young energy conservers onboard, representing 271 schools. It went digital for the first time in 2010 and has its own anthem. The initiative received the Best Asian Customers Engagement Award in 2014 and made it to the Guinness Book of World Records.

271	2,20,000	3,17,000	4,511
Schools	Students reached	Community	YouTube videos

Case study The Dahanu flexibility capability

The integration of renewable energy into the Indian electricity grid represents a challenge and an opportunity.

As about 80% of the country's energy demand is presently being addressed through thermal sources, there is a premium on the ability of this sector to remain flexible in generation capability and adapt to the variable patterns of solar and wind energy generation. The result: a flexibility of thermal power plants to scale generation down to 55% of their rated capacity (or even stop if required).

At AEML, we did not just take the 55% industry benchmark as a given; we began to explore possibilities of extending our flexibility down to 35% of our rated capacity without oil support, enhancing our flexibility on the one hand and moderating costs on the other. This capability would enable our units, while operating at house load during the back down period, to rise to full load and address the demand spike at the earliest over other units that would require start-up, synchronisation and loading. Besides, we would be able to do so at a lower cost.

The AEML team explored various engineering approaches, cross-functional engagement, risk analyses and detailed documentation. The results were remarkable at Unit #1.

Minimum load operation up to 75 MW (30%) was achieved without oil support or equipment modification. The desired load ramp up/down of 3% was achieved.

Having pushed the frontier, the team achieved 30% loading across both units without oil support, which prepares it enhance Mumbai grid stability at a time of renewable energy influx, disruptions or islanding realities. It also empowers the team to operate reliably at 30% capacity loading without shutdown when renewable generation is available with a ramped rate of 2-3% per minute.

Case study How AEML protected consumers during the power outage on 12th October, 2020

In Mumbai, the snapping of a conductor at 9.58 am in MSETCL's Kalwa-Padhage Line-2 and manual tripping of the Talegon-Kharghar Line by the operator resulted in a partial grid failure on 12th October, 2020.

Nearly 3500 MW of load was affected in Maharashtra; supply of 2200 MW was affected in Mumbai alone.

Even for something that had transpired outside AEML's allocated footprint, the company moved with speed to protect.

AEML pressed its equipment into an urgent exercise – it pre-identified a list of feeders for serving essential consumers, shortlisted DG sets for the restoration of supply, control centers with DG sets and standby engineers. It established a process to intimate the call center and media to provide updated information to consumers.

Besides, AEML ensured immediate support to all essential services; both units responded with speed to load variations and operated in an islanded mode from as early as 10.05 am; it supplied 340 to 390 MW of critical / essential loads when no other generation or power source was available, ensuring that essential services and hospitals continued to function normally during this critical period. Although the company's Unit 2 tripped due to reverse power, it was restored to operational health within just two hours compared to several hours of delay by other embedded generating stations.

By responding with speed and sensitivity, AEML underlined its positioning as a dependable partner of choice.

Case study | How AEML moderated costs and enhanced consumer value

When Adani Transmission acquired the Mumbai power distribution franchise, our two important priorities were dependable power distribution and superior consumer value.

In a stable operating environment with a pass-through cost structure, the challenges were considerable.

There was a need to engage in the timely and competitive purchase of power costs; the moderation of distribution losses was challenging given their uneven spread across the territory; it was challenging to enhance customer service in the face of manual processes, legacy equipment and gradual digitalisation.

AEML responded with speed. The company entered into a renewable energy power purchase agreement at a rate considerably lower than the prevailing grid benchmark. It aimed to meter and bill 100% of meters for metering and billing accuracy. It ensured high standards in power supply safety and reliability. It focused on improvements and surveillance in high loss clusters. It revamped digital interface and payment points, engaging proactively with consumers through social media. It moderated faults through focused capital expenditure.

The improvements were extensive: the transparent resolution of consumer queries was accompanied by traceability; the services bouquet was widened; distribution loss declined from 8.16% in FY 2017-18 to 7.82% in FY 2020-21 and, best of all, average billing rate declined an unprecedented 18%, the first such instance of a decline in years.

Going ahead, AEML intends to enhance the role of analytics and smart meters, moderate distribution loss (and costs) while enhancing service.

This will continue to strengthen its position as Mumbai's preferred electricity provider.

PART 3

Integrated Reporting Section

Approach to reporting

At Adani Transmission Limited (ATL), we began our Integrated Reporting journey in FY 2018-19 in an endeavor to provide transparent holistic communication to our stakeholders. This is our third Integrated Report, where we continue to demonstrate how ATL creates long-term value for stakeholders.

Through this Report, the Company has disclosed its financial and non-financial performance during FY 2020-21 with information on governance, strategy, performance and outlook. The key non-financial aspects include the Company's operations and its Environmental, Social and Governance (ESG) performance.

The statutory section of the report is an account of the financial, risk and capital management disclosures supported by annual financial performance of material subsidiaries and consolidated structured entities. The ESG section provides information regarding stakeholder relationships, material matters, risks and. opportunities, and forward-looking strategy.

Standards and framework

The narrative sections of the Report follow the Integrated Reporting Framework by IIRC. The statutory sections, including the Directors' Report, its annexures, including the Management Discussion and Analysis (MDA), and the Corporate Governance Report, are as per the Companies Act, 2013 (including the rules framed thereunder); Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and the revised Secretarial Standards issued by the Institute of Company Secretaries of India. The financial statements are in accordance with the Indian Accounting Standards.

Boundary

The Report covers information on Adani Transmission Limited (ATL) and its material subsidiary including Mumbai Generation, Transmission and Distribution (GTD) housed under Adani Electricity Mumbai Limited (AEML).

Materiality

Our ability to create value in the short, medium and long-term is impacted by multiple factors, including the externalities, operating environment, responses to the risks and opportunities, and our chosen strategy. Through this Report, we provide context to what we deem as our material topics.

Board and Management Assurance

We apply a risk-based, combined assurance approach to the Company's operations. Internal controls, management assurance, compliance and internal audit reviews, as well as the services of independent external service providers support the accuracy of disclosures within our published reports. In line with their respective mandates, specific reports are reviewed and recommended to the Board for approval by the Audit, Stakeholder Relationship, Risk, CSR & Sustainability, Remuneration & Nomination and Securities Transfer.

For FY 2020-21, External assurance is conducted for data across material ESG indicators as per ATL's policy with the objective to include in the Integrated Annual Report and the website. Deloitte Haskins & Sells LLP (Firm Registration no. 117366W/W-100018), our statutory auditors, have audited our annual financial statements. Information relating to the scope and conclusions of these statements can be found in the Independent Auditor's Report, and the Company's annual financial statements.

Fees paid to the statutory auditor for non-auditing engagement were 11% of the total fees paid to statutory auditors. The Board of Directors and Management Team acknowledge their responsibility of ensuring the integrity of this Report. The Board has accordingly applied its collective mind and believes it addresses all material issues and presents the integrated performance of the Company and its impact in a fair and accurate manner. Stakeholders can review the Report and provide feedback at jaladhi.shukla@adani.com

Capitals and value creation

As an integrated electric utility, we play an important role in the development of the nation, people and business. Our relationships with our stakeholders play a key role in delivering essential services, as we pursue our ambition to create a positive impact on the society and deliver shareholder value. We monitor the impact and outcomes of our business activities on the six Capitals through stakeholder engagement and risk evaluation process. Our ability to create long-term value (outputs and outcomes) is interrelated and fundamentally dependent on the Capitals available to us (inputs) and how we use them (value-accretive activities).

The Capitals we have reviewed

Financial capital

We judiciously deploy the funds that we raise and ensure that we enhance and add value to financial returns.

Page 44

Manufactured capital

Our manufacturing assets, plant, property and equipment form our manufactured capital.

Page 51

Human capital

The collective skills and experience of our workforce add value to our business outcomes.

Page 162

Intellectual capital

With our proprietary knowledge and innovations we drive to improve our processes and products, we add value to our business outcomes.

Page 94

Social and relationship capital

Our relationships with our stakeholders in the value chain and communities around us help us fulfill our role as a responsible corporate along with long-term value creation, while also ensuring our social license to operate.

Page 178

Natural capital

While we depend on the raw materials sourced from nature, we ensure that through our efficient operations, we make optimum use of the resources, have minimum impact on the environment and reduce our carbon footprint.

Page 144

Forging long-term relationships with stakeholders

Overview

The insights and needs of our stakeholders represent the cornerstone of enduring engagements.

We have identified our stakeholders as persons, groups or organisations directly impacted or influenced by our actions, as well as those persons, groups or organisations who can reasonably impact us.

ATL deploys a Stakeholder Relationship Matrix to support the management of its complex network of relationships, monitoring the expectations and results of engagement activities. This matrix allows for the regular monitoring of key relationship networks with the possibility of anticipating and investigating the potential impacts of the business on stakeholder groups, enabling a more conscious management of operational realities.

ATL engaged with stakeholder groups primarily including – employees, investors, vendors and community – who were mapped based on their criticality index for the organisation and their capacity to influence decisions. Besides alternative platforms of engagement and gathering information through Town Hall meetings, vendor meets and annual appraisal process, among others, the company conducted a stakeholder engagement process specifically to evaluate the positive and negative impacts of its business.

Stakeholder Relationship Matrix

Power \ Interest	Low		High	
High	Keep Satisfied	Regulators Media Government Customers	Manage Closely	Vendors Employees Community
Low	Monitor	Society Industry Associations	Keep Informed	Shareholders Civil Groups

Understanding stakeholder expectations

Besides, ATL engaged with stakeholder groups using various methodologies to generate output. For instance, customised online questionnaires (with respect for anonymity) helped gather inputs from employees and vendors. Members of communities likely to be impacted by our projects were engaged through focused discussions. Investor feedback was also considered. These responses gathered were analyzed. A threshold of 15% disagreement was considered to categorise an issue as a concern and a disagreement of 40% or above was mapped as a material topic. An action plan to address these concerns has been implemented and will remain an ongoing activity.

Employees
- Online questionnaire

Vendors
- Online questionnaire

Community
- Focus group discussion

Investors
- Feedback report

Shareholders, investors, financial institutions and auditors

The importance of this stakeholder	As capital providers, they represent key stakeholders in our corporate journey.
Stakeholder expectations	▪ Compliance to laws and regulatory requirements ▪ Return on investment/dividend ▪ Timely interest and debt repayment ▪ Social and environment performance ▪ Company strategies ▪ Corporate governance ▪ Timely communication ▪ Anti-corruption and ethical behaviour
Frequency of engagement	Quarterly, annual and need-based
Mode of engagement and communication	▪ Annual Reports ▪ Sustainability Reports ▪ Annual General Meetings ▪ Communication to stock exchanges ▪ Investor engagements ▪ Quarterly conference calls ▪ Rating agency notes ▪ Engagement with research analysts ▪ Information on website
Parameters	• Credit rating • Risk management • Governance index

Human Resources (employees and families)

The importance of this stakeholder	Our employees represent the foundation of our growth aspiration and achievement. Our capacity to retain and renew them, coupled with teamworking, is essential for our growth.
Stakeholder expectations	▪ Respect and dignity ▪ Non-discrimination and fair treatment ▪ Talent management, learning and skill development ▪ Career planning and growth ▪ Work-life balance ▪ Work environment ▪ Health and safety ▪ Fair remuneration, job clarity and job security ▪ Grievance redressal ▪ Proactive communication ▪ Ethical behaviour
Frequency of engagement	Continuous, monthly, half-yearly and need-based
Mode of engagement and communication	▪ Performance appraisal ▪ Newsletters ▪ HR online surveys ▪ Emails ▪ Town Hall / open-house meetings ▪ Health, Safety and Environment (HSE) committee meetings and safety alerts ▪ Apex meetings ▪ Policy communication ▪ Portal/intranet ▪ Family get-togethers ▪ Co-created HR policy ▪ HR connect ▪ Open-door policy ▪ Online survey
Parameters	• Attrition rate • Employee Engagement Score

Customers

The importance of this stakeholder	Customers are users of our services. In view of this, the Voice of Customer is key to course correction (of needed), engaging with evolving customer realities, protecting our brand and sustaining our cash flows.
Stakeholder expectations	▪ Conformity to contractual conditions, SLAs and availability ▪ Compliance with regulatory requirements ▪ Grievance redressal ▪ Anti-corruption and ethical behaviour ▪ System availability ▪ Uninterrupted power supply ▪ Safe product
Frequency of engagement	Continuous and need-based
Mode of engagement and communication	▪ Emails ▪ In-person meetings/letters ▪ Telephone calls ▪ Progress and performance reports ▪ Feedback call from the CEO's office ▪ 24x7 call centre ▪ Chatbot
Parameters	Customer Satisfaction Index

Governments, Local Administration and Statutory and Regulatory Authorities

The importance of this stakeholder	They ensure a validation of our compliance, interpretation of regulations and provide the key to uninterrupted operations.
Stakeholder expectations	▪ Compliance and taxes ▪ Timely responses to queries ▪ Anti-corruption ▪ Disaster and relief management ▪ System reliability ▪ CSR ▪ Cyber security management ▪ Information security management
Frequency of engagement	Need-based and continuous
Mode of engagement and communication	▪ Emails ▪ In-person meetings/letters ▪ Telephone calls ▪ Progress and performance reports ▪ Petitions ▪ Accident incident reports ▪ Returns under applicable laws
Parameters	• Aggregate Technical and Commercial (AT&C) losses • Scope 1 + 2 emissions • Average availability of operational transmission assets • Share of renewable in total power procured • Meetings/seminars attended by the leadership team annually

Engineering, Procurement and Construction (EPC) and Supply Chain Partners

The importance of this stakeholder	Our operations are dependent on the timely availability of inward supplies, raw material quality and services, which influence our project construction and delivery.
Stakeholder expectations	▪ Fairness and transparency in contractual processes ▪ Competence development of supply chain partners ▪ Security at workplace ▪ Timely payment and honouring commitments ▪ Long-term association ▪ Clarity in terms and conditions ▪ Guidance and co-ordination related to quality, environment, health and safety at site ▪ Anti-corruption and ethical behaviour
Frequency of engagement	Continuous and need-based
Mode of engagement and communication	▪ Contract/general conditions of contract audits ▪ Feedback and evaluation reports ▪ Vendors/ partners meet ▪ In-person meetings ▪ Tool-box talks ▪ HSE meetings ▪ Emergency response drills ▪ Progress reports ▪ Monthly meetings ▪ Online survey
Parameters	• Safety incidents • Vendor Satisfaction Index

Local Communities, NGOs and General Public

The importance of this stakeholder	A harmonious relation with the communities where we have our asset is key to our social license to operate. They are partners in our progress and are crucial to our operations.
Stakeholder expectations	▪ Social need identification and community welfare ▪ Grievance redressal ▪ Fair process and evaluation of any losses and compensation ▪ Proactive communication ▪ Environmental protection and non-pollution ▪ Indigenous rights ▪ Emergency response and disaster management
Frequency of engagement	Continuous and need-based
Mode of engagement and communication	▪ Community engagement and local community meetings ▪ Newspapers and CSR volunteers ▪ Hoardings ▪ One-on-one meetings with farmers ▪ Gram Panchayat / Gram Sabha ▪ Sustainability Reports ▪ Focused group discussion
Parameters	• Number of NGO partners • Diversity index

Media

The importance of this stakeholder	It is imperative to enhance the understanding of the industry's commitment to sustainability and climate change initiatives in addition to other development drivers.
Stakeholder expectations	▪ Statutory compliance ▪ Community development ▪ Public health and well-being ▪ Inclusive growth
Frequency of engagement	Need-based
Mode of engagement and communication	▪ Annual Reports ▪ Sustainability Reports as per standard practice ▪ Annual General Meetings ▪ Communications ▪ Information on website ▪ Press / media release
Parameters	Media interviews

BUSINESS MODEL

How our business model has been structured around value-creation

Our value-creation paradigm

Capitals	Inputs
Financial capital	• Equity: ₹10,023 Crore (including Non Controlling Interests) • Net Long-Term Debt: ₹20,865 Crore
Manufactured capital	• Operational transmission lines: ~13,027 ckt km • Generation capacity: 500 MW • Solar power capacity: 2.362 MWp • Presence in states: 12 • Distribution area & consumers: 400 sq. km and 3 Million+
Intellectual capital	• Brand name • R&D and Innovation spend: ₹6.65 Crore • Business processes: Agile and Synergy • IT enablement in project and operations • E-Vidyalaya and Harvard Manage Mentor tie-ups for corporate learning
Human capital	• Workforce: 11,922 • New recruits: 179 • Amount spent on employee training and development: ₹3.81 Crore
Social and relationship capital	• CSR expenditure: ₹25.26 Crore • New vendors audited: 619 • Employee volunteering for CSR activities
Natural capital	• Water consumed: 1,876.71 ML • Environment expenditure: ₹31.38 Crore • Afforestation: 289.04 hectares

Value created

Transmission

20,000 ckt km by 2022

Business Process

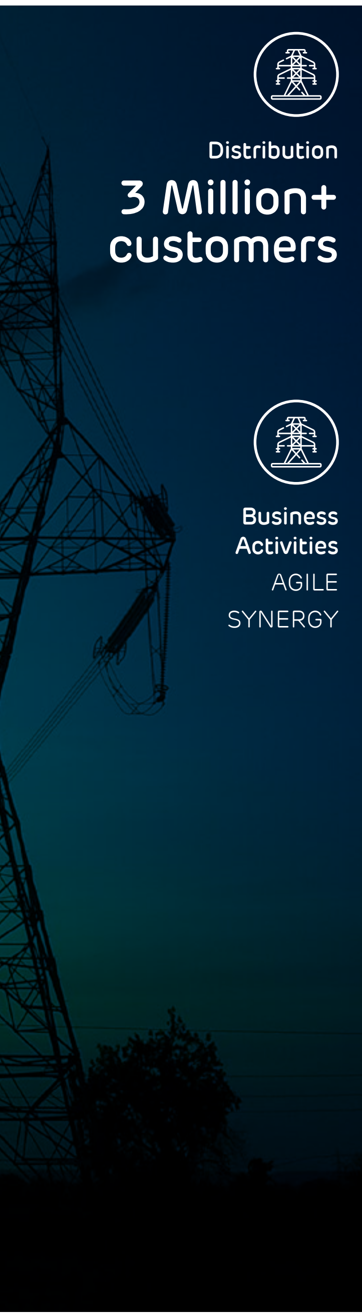
- Power T&D
- Bulk power sourcing with increasing green power share
- Investment decisions/plans based on long-term vision and mission
- Asset creation

Supporting Mechanisms

- Governance and risk management
- Risks and opportunities
- Performance
- Strategy and resource allocation
- Outlook

ATL's business model is focused on creating long-term value for the Company and its stakeholders by achieving its targets on profitability and growth, efficiency, operational excellence and prevention of business risks.

External environment



Distribution

3 Million+ customers

Business Activities

AGILE

SYNERGY

Outputs

- Revenue from operation: ₹9,926 Crore
- PAT: ₹1,290 Crore
- RoNW: 19.14%

- Transmission Availability: 99.87%
- New transmission lines added: 1,425 ckt km
- Thermal power generation: 3,070 MUs
- Power distribution (including wheeling): 8,889 MUs sold

- New systems and processes implemented
- Robust process of safety management, training and awareness

- Diversity of workforce
- 1,73,306 training person-hours including behavioural and technical training
- 25 LTI and Zero fatality

- Vendors added: 619
- No community grievances or infringement of indigenous community rights reported: Zero

- Waste water recycled: ~ 233.754 ML
- 100% of current fly ash utilisation

Outcomes

For providers of financial capital

We deliver consistent, profitable and responsible growth.

For customers

We provide reliable power supply and customised solution for affordable power to high value consumers. We also closely engage with our customers for addressing queries, provide support & gain feedback for continuous improvement

For suppliers

We ensure an optimum supply chain with competent suppliers for seamless operations. We also engage and collaborate with our suppliers closely for knowledge enhancement, process improvements and product applications.

For our people

We strive to provide equal opportunities to all our employees, and ensure capacity building, training and a safe work environment.

For communities around us

We contribute towards improving the living conditions of the communities around us through our CSR activities and at the same time ensure that our production processes do not have any adverse impact on the environment around us.

Materiality assessments

The issues that influence value-creation

Comprehensive materiality assessments identify the levers with the highest potential to influence long-term value-creation.

ATL's materiality commitment ensures that the relevant priorities are short-listed through the process of stakeholder engagement and external impact assessments (especially for our O&M and projects).

ATL has established effective stakeholder engagement governance with direct Board oversight through its Stakeholder Relationship Committee. The Committee of the Board reviews the stakeholder engagement activities of the organisation. The Chief Sustainability Officer (CSO) of ATL retains executive level responsibility for establishing and maintaining the stakeholder engagement strategy and processes. The Board of Directors is briefed on the effectiveness and proceedings of stakeholder engagement on quarterly basis.

ATL has established detailed procedures for stakeholder identification, prioritisation and engagement. Stakeholder accountability, engagement and grievance redressal mechanisms are effectively covered under the Integrated Management System of ATL under the requirement of Clause 4.2 of ISO 9001, 14001, 45001, 27001 standards. The stakeholder identification and engagement mechanism are also covered under ATL's CSR policy.

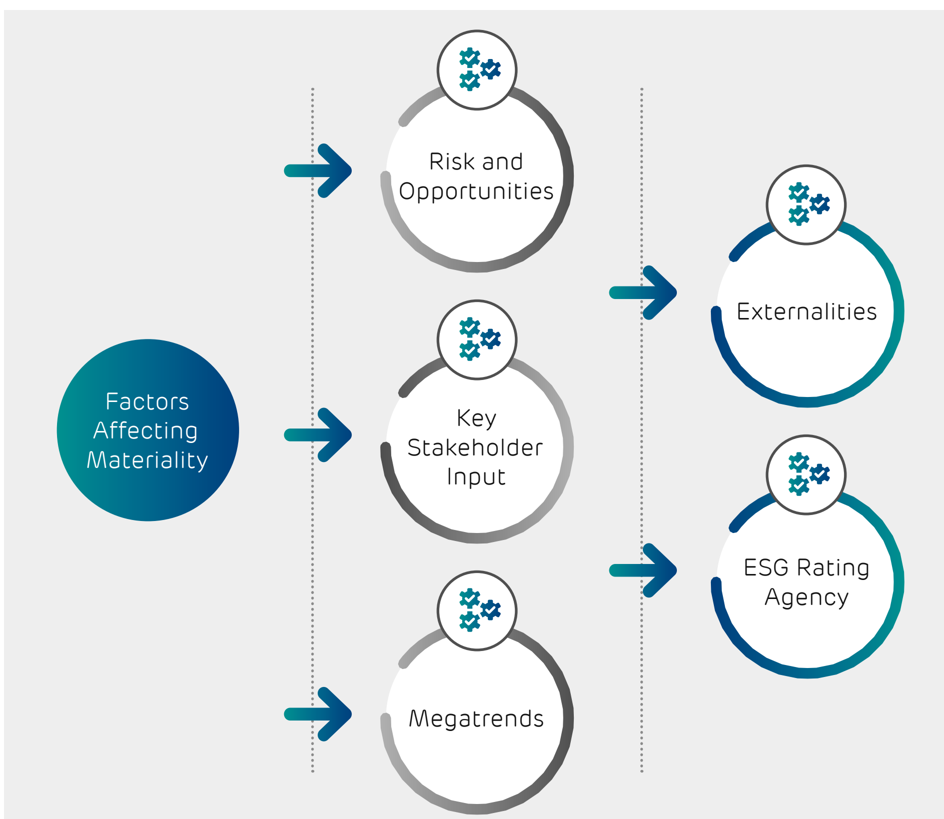
As a part of the importance of this process, our priorities are periodically appraised, which ensures that our processes (including integrated risk management, strategy planning, stakeholder engagement, operational performance and reporting) are completely synced. Besides, it is imperative to align material topics with ESG risks.

The rationale for this approach is that it facilitates the integration of long-term risks into Enterprise Risk Management (ERM), resulting in strategic clarity and corresponding resource allocation.

Interestingly, the identification of material topics is not limited to this process. ATL draws insights from various sources, including global trends, ESG rating agencies, externalities and key stakeholders with the objective to create short, medium and long-term value.

The company identified the following megatrends:

- Transition to clean energy
- Regulation
- Climate change
- Digitalisation
- Transforming consumer priorities
- Business model transition



Process

ATL conducted a thorough analysis of the ESG topics that may have a reasonable financial impact on the business by limiting our ability to create value in the short, medium and long-term. The resultant analysis factors stakeholder priorities, including that of investors – ESG risks and opportunities, megatrends and externalities.

Scope and Boundary
ATL, and its subsidiaries, including AEML

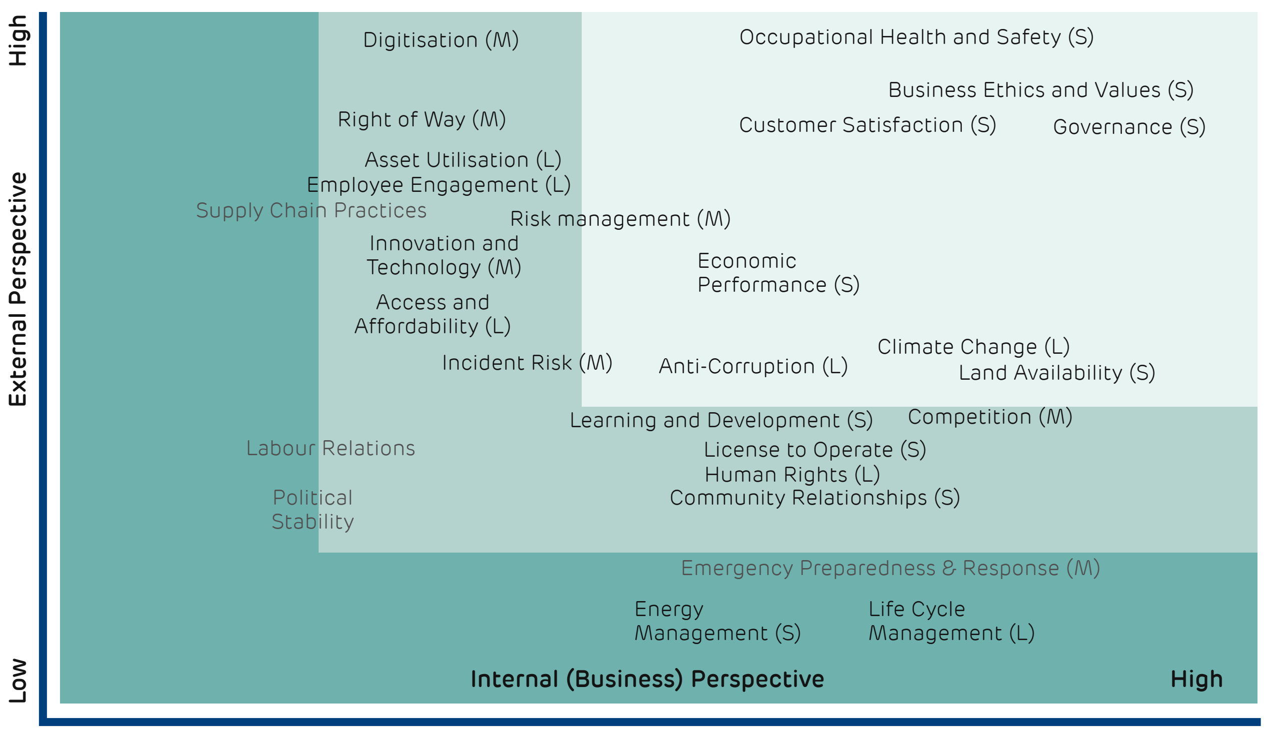
Identify
- Key stakeholder perspective
- Investor perspective
- Megatrends
- Externalities
- Risks and opportunities

Prioritise
Parameters that impact our ability to create value in the short, medium and long term

Management Review
Review of prioritised topics by the top management

Materiality map

The topics are rated on a scale of low to high, based on business importance and external perspective. The topics that are most material to the business are highlighted in the right corner of the scale. The topics of medium importance are placed in the middle and those of low concerns are at the left corner. The topics are also mapped against their impacts in the short, medium and long term, denoted as S, M, and L, respectively. Most of the topics could be evaluated based on a time frame. However, there are some topics, such as business ethics, that do not have a timeframe and may impact the business, regardless.



Content marked in green are material topics that do not have a time frame and are carried out on a continuous basis

ATL key material topics presented Capital-wise

Capitals	Key material topics impacting capitals
Financial capital	Risk Management, economic performance, governance, emergency preparedness and response and competition
Manufactured capital	Energy management, life cycle management, asset utilisation, right of way and land availability
Human capital	Learning & development, occupational health and safety, employee engagement, labour relations, human rights and incidents risk
Intellectual capital	Digitalisation, innovation and technology
Social and relationship capital	Business ethics and values, supply chain practices, access and affordability, license to operate, community relationships, political stability, customer satisfaction and anti corruption
Natural capital	Bio-diversity and climate change

Our roadmap

ESG	Parameters	Targets
Environmental	▪ Technological advancement for minimal downtime during maintenance, leading to better availability and increased EBITDA ▪ Rooftop solar installation at substations for auxiliary power consumption ▪ Renewable power procurement at below APPC – tariff reduction for 3 Million+ Mumbai customers ▪ Reduction in pollution due to fly ash utilisation	▪ Rooftop solar installation at all operating and underconstruction substations ▪ Renewable power procurement: 30% by FY 2022-23
Social	▪ Better vendor management – development of local workforce to meet industry best benign practices ▪ ~100% supply reliability for 3 Million+ Mumbai customers – customers shifting to ATL's distribution business ▪ 24x7 customer care availability – better responsiveness, lesser consumer attrition and stable cash flows	▪ Strong focus on social upliftment and safety through various community programmes and safety initiatives ▪ 'Quality of life' imperative being pursued through capacity building social initiatives with marginalised communities ▪ Skill development programmes for women being administered
Governance	▪ Board independence ▪ Related Party Transactions (RPT) as per covenanted structure ▪ All the above factors led to the highest international rating in the transmission sector in India – leading to cost savings and access to a larger pool of capital	▪ Independent Directors at all subsidiaries, Board and Committees ▪ RPT policy applicable to all subsidiaries

Strategic priorities

Framework for delivering on objectives

Strategic focus areas	Key objectives	Capitals impacted	Outlook
Safety culture	▪ Safety is an area for continuous improvement and has a strategic objective of zero fatalities ▪ Raise safety awareness with safety champions ▪ Committed to minimising health and safety risks ▪ Administering learning modules for various activities		▪ Mandated sub-contractors to meet its safety requirements and is developing technology options to monitor compliance ▪ Prepare and implement safety improvement plan ▪ Taking leadership positions through safety culture
ESG integration	▪ Development of a highly skilled women's workforce ▪ Conduct business according to the highest ethical and regulatory standards ▪ Ensure long-term business sustainability ▪ Improve quality of life through capacity building and counselling.		▪ Focus on power procurement from renewable energy sources ▪ Strong focus on social empowerment and safety through various community programmes ▪ Ensure climate awareness, readiness and realignment
Efficient capital allocation and execution capabilities	Leveraging strong project execution, project management expertise and infrastructure		▪ Complete existing projects on time, cost and quality with safe working ▪ Pursue new growth opportunities in a disciplined manner, focusing on returns and long-term sustainable value creation

Strategic focus areas	Key objectives	Capitals impacted	Outlook
Portfolio of efficient operating assets	Be among the best-run power T&D assets across the Indian power sector	 	▪ Maintain high availability through efficient O&M and operational excellence ▪ Strong growth potential through TBCB transmission projects ▪ Acquisition, new license, franchise and PPP opportunities in the T&D space
Robust financial profile	Maintain healthy margins and return ratios		▪ Continued improvement in performance of the Mumbai distribution business to enhance profitability ▪ Maintain a strong financial profile and pursue value-accretive growth in the Mumbai business as well as new transmission opportunities ▪ Sufficient cash balance and working capital lines tied up
Business excellence	Create a vision for the future and a sustained continous improvement model	 	▪ Establish trigger mechanisms for emerging risks ▪ Benchmark in-process and outcome parameters to global standards; pursue meeting or beating them.

ENVIRONMENT-SOCIAL-GOVERNANCE

How ATL has built a credible ESG platform

Our goal

To maintain our position as India's largest private sector power transmission and distribution company

Our platforms

- Environment compliance
- Lower carbon footprint
- Safe work practices
- Credible safety certifications
- Controlled growth
- Robust Board
- Benchmark focus
- Process-driven
- Audit and compliance-driven
- Ethical framework

Our ESG commitment

Environmental

Moderate carbon footprint

Protect bio-diversity

Use 5R's (replace, re-use, renewable, recycle, reduce)

Superior environmental rating

Ongoing audit and investment in environment compliance

Disclose environment performance

Social

Large workforce

Focus on knowledge, experience and retention

Investment in training

Culture of passion

Servicing marquee customers

₹25.26 Crore expended on CSR

Overview

At ATL, we believe that in a demanding world it is not enough to merely do the right thing but to do it in the right way as well, reinforcing our position as a responsible corporate citizen.

We believe that this calling is urgent and relevant; there is a premium on the need to enhance a comprehensive ESG compliance and commitment. This means that it is not important to be profitable for the moment but sustainably so; it is no longer important to focus on the needs of one or a limited number of stakeholders but service the aspirations of all.

At ATL, we may be engaged in the business of power transmission and distribution services but our principal objective is to enhance stakeholder trust. We believe that trust is the underlying element why customers select to patronise our services, why employees work with us, why vendors sell to us, why investors provide us risk capital, why bankers lend and why communities support us.

Governance

Code and values

- Code of Conduct
- Whistle blower policy
- Anti-bribery and anti-slavery policy
- Remuneration policy
- Corporate-Environment-Health-And-Safety Policy
- ESG commitment
- Employee care and fairness
- Prevention of Sexual Harassment (POSH)
- Code of Practices for Fair Disclosure
- Code of Internal Procedures and Conduct for Insider Trading

Structure and oversight

- Board with strong independence
- Business Responsibility Policy
- Fully Independent Audit Committee
- Risk Management Policy

Transparency and reporting

- Material event policy
- Related party transactions
- Quarterly self- declarations on the web

OUR ESG COMMITMENT

How we have built a credible governance platform

At ATL, we created a robust governance framework that touches every segment of our business, enhances trust and is directed to enhance value for all our stakeholders

Overview

At ATL, we are committed to credible corporate governance that enhances our respect as a responsible corporate citizen.

We believe that this governance culture is relevant in our business for good reasons. The power transmission and distribution industry is poised to play a decisive role in widening the reach of electricity on the one hand and moderating India's carbon intensity on the other.

We believe that the strength of our governance commitment is helping make this a reality. Corporate governance comprises rules, practices, and processes by which the Company is managed. The spirit of governance balances the interests of all stakeholders (shareholders, management, customers, suppliers, financiers, government and community). The result is that governance is not incidental but integral to the existence of the organisation.

External environment and ATL's governance

ATL operates in a dynamic environment, marked by economic impacts, demographic trends and technological advancements with an increased focus on alliances, trade, consolidation and integration. This environment presents opportunities with a premium on speed, innovation and risk management. At ATL, we implemented a business strategy aimed at enhancing value over the medium to longer term. ATL outlined objectives to enhance trust among stakeholders through transparent disclosures and effective Board governance. ATL improves a governance framework, associated policies and disclosures; it monitors and evaluates outcomes, strengthening relevance.

Governance principles

At the heart of our governance commitment is a strong one-tier Board system with Board of Directors possessing a disciplined orientation marked by distinctive priorities.

Ethics and integrity: The Board is committed to the highest standards of integrity. Directors commit to abide by the 'Code of Conduct', regulation and policies under oath, endeavouring to demonstrate intend and actions consistent with the Company's stated values.

Responsible conduct: The Board acknowledges the Company's role in contributing to the growth and development of the neighbourhoods, terrains, communities and societies in which it operates. In line with this, the Company is accountable for its impact on the environment and society corresponded by compliance with laws and regulations. As a mark of responsibility, the Company is committed to extending beyond minimum requirements and setting a benchmark.

Accountability and transparency: The Board commits to providing credible and comprehensive financial and non-financial reporting accompanied by ongoing feedback. The Company is aligned to the best practices relating to disclosures; it follows internal and/or external assurance and governance procedures.

Board evaluation and compensation

The Board adopted a formal mechanism for evaluating its performance and of Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process, covering the Board's comprehensive functioning, composition and committees, experience and competencies, performance of specific duties and obligations, contribution at meetings and otherwise, independent judgment and governance issues, among others. The breadth of fiduciary responsibility of the Board critically attaches the Board evaluation mechanism to the overall performance of the Company.

ATL's Board of Directors are elected transparently during the Annual General Meeting through a shareholder voting process formulated by the Nomination and Remuneration committee. The average tenure of the Board members is five years and members elected need to possess the right experience and skills, sufficient independence, and a willingness to act in the best interests of all stakeholders. Board members are evaluated across the performance of specific duties and obligations, contribution at these meetings and otherwise, independent judgment, governance issues, and contribution to the Board oversight.

The outcome has been a balanced and diversified Board of Directors (profiled in the following pages). Board compensation is guided by the Remuneration Policy of Directors and is in accordance with the provisions of applicable law and by-laws. Independent Directors are allowed fixed sitting fees and reimbursement of the actual travel expenses. (https://www.adanitransmission.com/investors/corporate-governance)

The Board is regularly educated on emerging risks and trends of the energy sector. On a half-yearly basis, the Board members are presented with a comprehensive assessment of the ESG risks and opportunities that has the potential to impact ATL's business and the corresponding mitigation strategies to be taken. This ESG presentation also covers the risk related to climate change and the strategy formulated in detail.

Board's role

ATL's Board comprises a balanced one-tier system with a productive combination of Executive and Non-Executive Directors, including Independent Directors. The Board sets the direction; it reviews, assesses and approves strategic initiatives. Besides, it assesses issues, competing forces and business risks that define the Company's short-term performance and long-term viability. In its supervisory capacity, the Board also monitors corporate performance and executive team behavior. The supervision is holistic and includes strategy development, design and implementation. The Board periodically discusses the Company's ESG commitment with financial and other perspectives. The Board encourages the senior management to take initiatives beyond compliance in regulatory requirements and other matters.

Board committees

The Board committees play a vital role in ensuring sound corporate governance. The Company's Board comprises the following committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility and Sustainability (CSR&S) Committee
- Risk Management Committee
- Securities Transfer Committee

Board independence

The Board comprises at least 50% Independent Directors, who bring independent judgment to the table. The rest of the Board comprises Non-executive Independent Directors.

Board diversity

ATL has an established Board Diversity policy to harness differences and uniqueness in knowledge, skills, regional and industry experience, cultural and geographical backgrounds, ages, ethnicity, races and gender. Gender diversity was ensured with 17% of the Board comprising women in the capacity of Non-executive and Independent Directors ATL's senior management team develops the company's strategic direction and seeks Board approval. The management oversees execution, while ATL's Board of Directors provides oversight of strategy execution.

Ethics and integrity

The Company formulated a 'Code of Conduct', setting out guidelines to be followed by employees and associates. The result is a credible ecosystem aligned around the same ethical page.

ATL's Board of Directors are elected individually during the Annual General Meetings through a shareholder voting process formulated by the Nomination and Remuneration Committee. The average tenure of each Board member is five years; the elected members are expected to possess the necessary experience and skills, are sufficiently independent in their judgement, and possess then integrity to act in the best interests of all stakeholders. All such updates are communicated to shareholders in line with applicable regulations.

The Board is periodically updated on emerging risks and trends in the energy sector. The Board members are biannually presented a comprehensive assessment of ESG risks and opportunities that could impact ATL's business coupled with corresponding mitigation strategies. This ESG presentation also covers risks related to climate change and counter-strategies. ATL established pre-defined relative financial metrics relevant for the CEO's variable compensation including compensation influenced by the Company's operational and financial performance.

Board oversight

The various Board committees are set up under the formal Board approval to carry out defined roles performed by Board members. The Board supervises the committees and is responsible for their actions. The committees are constituted to address specific activities and ensure speedy resolution. The Board oversees safety performance in every meeting, demonstrating the safety-first culture of the organisation.

Skills and experience

The ATL Board aggregates rich knowledge, perspective, professionalism, divergent thinking and experience. The Board members possess a deep understanding of governance, technical, financial and non-financial issues. The Board members also possess a rich experience of the power sector, strategy, financial, counter-party negotiation, risks, legal, environment and social issues (refer to Remuneration policy and ID terms and conditions of appointment at https://www.adanitransmission.com/investors/corporate-governance)

Board member credentials

- Embrace the shared vision, mission and values of the organisation
- Knowledge of industry/sector, policies, major risks/threats and potential opportunities in which the Company operates
- Technical skills/experience in accounting/finance, Government or public policy, economy, human resource management, strategy development and implementation of capital planning
- Governance competencies such as being a Director in a large organisation, compliance focus, leadership, risk management experience and business judgment

Oversight priorities	Capitals impacted	Key decisions
Finance and control The Board committee oversees the financial reporting process of the Company, quality and integrity of accounting, and auditing and financial reporting process, including internal controls.		Refer page 238
Securities The Board oversees the transfer/transmission of the Company's securities, issue of duplicate shares/ debenture certificates, split-up/sub-division, and consolidation of shares, issue of new certificates on re-materialisation, sub-division and other related formalities.		Refer page 244
Selection and remuneration The Board is aware that to deliver value to the stakeholders, highly experienced and professional members must be nominated and evaluated based on their performance. The Board ensures remuneration practices are designed to deliver remuneration that is competitive, fair, incentivises performance and aligned with conduct expectations of the Company.		Refer page 240
Stakeholder relationship The Board and management proactively engage with key stakeholders and address their concerns in the best way possible. Collaboration, transparency and regular communication are important to the Company's approach.		Refer page 242
ESG performance and assurance The Board oversees the implementation of the CSR Policy and Sustainability Policy, including the reporting of ESG performance, assurance of data and management system execution.		Refer page 242
Risk and control The Board oversees the implementation of the ERM Framework, including the approval of key risk framework, and receives reports on ESG risk triggers, limits and management actions.		Refer page 243

Legend

Financial Capital | Manufactured Capital | Human Capital | Intellectual Capital | Social and relationship Capital | Natural Capital

Board experience

> 20 years

100%

Board age profile

36-55 years	56-70 years
17%	83%

Diversity

Male	Female
83%	17%

BOARD OF DIRECTORS

Stewards of the company's strategic direction

ATL possesses a diverse Board of Directors, who strengthen the culture of governance

Mr. Gautam S. Adani

Chairman:

Mr. Gautam Adani is the Chairman and founder of the Adani Group, and has more than 36 years of experience. Under his leadership, the Group has emerged as a global integrated infrastructure player with interests across Resources, Logistics and Energy verticals. Mr. Adani's success story is extraordinary in many ways. His journey has been marked by his ambitious and entrepreneurial vision, coupled with great vigour and hard work. This has not only enabled the Group to achieve numerous milestones with speed and scale, but has also resulted in the creation of a robust business model that is contributing towards building sound infrastructure in India.

Mr. Rajesh S. Adani

Chairman: C
Member: R

Mr. Rajesh Adani is the Director of our Company. He has been associated with the Adani Group since its inception. He is in charge of the operations of the Group and has been responsible for developing its business relationships. His proactive, personalised approach to the business and competitive spirit has helped shape the growth of the Group and its various businesses.

Mr. Anil Sardana

Chairman: R
Member: S C

Mr. Anil Sardana comes with about four decades of experience in the power and infrastructure sector. He began his career with NTPC and subsequently worked with BSES and Tata Group of Companies in the power and infra sector, ranging from generation, power systems design, power distribution, telecom and project management. Prior to joining the Adani Group, he was the MD & CEO of Tata Power Group, which is based out of Mumbai. Mr. Sardana is an honours graduate in Electrical Engineering from Delhi University (1980), a Cost Accountant (ICWAI) and also holds a PGDM from All India Management Association. He has undergone top management training from reputed institute like IIMA and 'Specialised Residual Life Assessment course for Assets' at EPRI – USA.

Mr. K. Jairaj

Chairman: A N S
Member: C

Mr. K. Jairaj is from the 1976 batch of Indian Administrative Service, Karnataka Cadre. He graduated in Economics from the prestigious Central College Bangalore University and obtained Distinction in M.A. (Economics) from the Delhi School of Economics. He did his Master's in Public Administration and Public Affairs from Princeton University and Harvard University, respectively. He has held prestigious and key appointments during his distinguished career of 36 years with the Indian Administrative Service. Mr. Jairaj was Principal Secretary to the Chief Minister of Karnataka and served as Energy Secretary, Government of Karnataka and piloted key reforms in this sector. He was the founder MD of Bangalore International Airport Limited (BIAL), which set up the Greenfield Bangalore International Airport. Mr. Jairaj has served as President, All India Management Association, Delhi and on the Boards of IIM, Bangalore and Kashipur. Other notable assignments include BESCOM; Managing Director, Bangalore International Airport Ltd; Managing Director, Karnataka Power Corporation Ltd; Managing Director, Karnataka State Road Transport Corporation; Commissioner, Bangalore City Corporation for two terms; Commissioner for Commercial Taxes; and Principal Secretary to the Chief Minister. He has been conferred with a number of awards and citations during his distinguished service. He is associated with several educational and not-for-profit institutions.

Dr. Ravindra H. Dholakia

Member: A N

Dr. Ravindra H. Dholakia, a retired Professor of IIM, Ahmedabad, has more than 38 years of experience in regional economic development, economic analysis and policy, international economics and health economics. He holds a post-doctoral research fellowship from the University of Toronto and a PhD in Economics from M S University, Baroda. Earlier, he served as a consultant to state and central governments, private sector institutions and international organisations such as WHO, UNICEF, ADB and World Bank. He has also been a member of various committees appointed by the government and has more than 140 research papers and 22 books to his credit.

Mrs. Meera Shankar

Member: A N

Mrs. Meera Shankar joined the Indian Foreign Service in 1973 and had an illustrious career spanning 38 years. She served in the Prime Minister's Office for six years, from 1985 to 1991 working on foreign policy and security matters. Thereafter, she led the Commercial Wing in the Indian Embassy in Washington as Minister (Commerce) till 1995. She returned as Director General of the Indian Council of Cultural Relations overseeing India's cultural diplomacy. She has had extensive experience in South Asia having worked in Bangladesh, Sri Lanka and Maldives as Under Secretary and Deputy Secretary in the Ministry of External Affairs. Later, as Joint Secretary, she headed divisions dealing with neighbours, Nepal and Bhutan, and the South Asian Association of Regional Cooperation (SAARC). As Additional Secretary, she handled the UN and international security issues. She served as the Ambassador of India to Germany from 2005 to 2009 and then to USA from 2009 to 2011.

Board Committees

- C Corporate Social Responsibility & Sustainability Committee
- S Stakeholders' Relationship Committee
- R Risk Management Committee
- A Audit Committee
- N Nomination and Remuneration Committee
- T Securities and Transfer Committee

ESG commitment

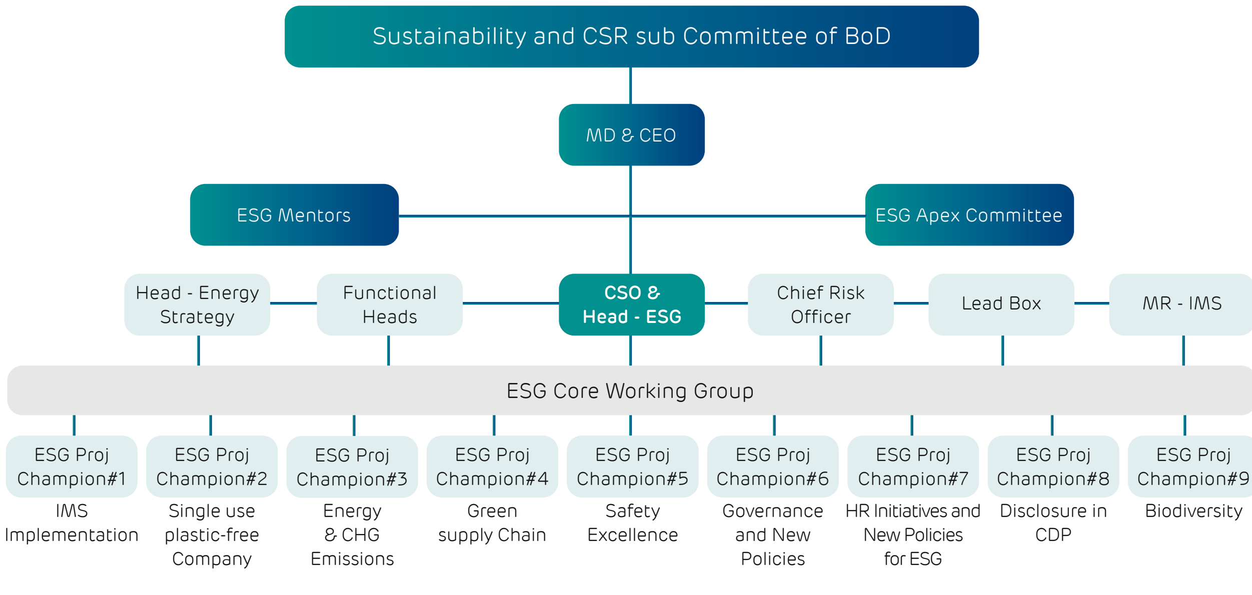
Our governance structure follows international best practices by integrating Environmental, Social and Governance considerations into business decisions. This ensures that ESG performance monitoring and decision-making permeates the organisation. At the top governance level, the ATL Board comprises a Sustainability and CSR Committee as well as a Risk Management Committee, which are sub-committees of the Board of Directors.

The Board Committee oversees the implementation, monitoring and reporting of climate-related issues, ESG performance and sustainability, along with the CSR policy and implementation. The ESG and Risk Management functions are further incorporated within the organisation by establishing an Enterprise Risk Management (ERM) System, guided by the Chief Risk Officer. This system has been implemented to enable all employees and business associates to raise any kind of risk identified by them to the next level. The risk management framework comprises the provision to evaluate, prioritise and escalate risks to the highest governing body within the organisation.

The Committee identifies and incorporates ESG related operational and financial risks through the resolution of the Board of Directors. The organisational policies, purpose, values, mission statement, strategies, goals and targets related to sustainable development within the Company are developed by the senior management committees. These are based on the identified risks and opportunities related to the power sector, external environment, legal, management system requirements, and stakeholder consultation, among others. These policies are regularly reviewed and approved by the Board.

The Board examines and approves the Company's strategic, industrial and financial plans, including the annual budget. Its business plan incorporates principal guidelines to promote a sustainable business model and establish the basis for long-term value creation.

The Sustainability and CSR Sub-Committees of the Board regularly monitor the sustainability and climate performance of the Company. The Company intends to make its governance structure world-class. The ESG Report is reviewed by the Apex Sustainability Committee – a group of functional heads and station heads – before submitting for assurance by an external agency. The Sustainability and CSR Sub-Committees appraise the sustainability performance and the Report's contents before releasing them in the public domain and on the Company's website. The core ESG working group and disclosures related to ESG are overseen by the CEO. A core ESG Working Group has been formed at all locations, supervised by the ESG Head under the guidance of the Chief Sustainability Officer (CSO). The Integrated Management Systems, covering Quality, Environment, Health and Safety, were implemented at all operating locations and their performance is regularly reviewed by the CSO. The ESG and Risk Management functions are incorporated within the organisation by establishing an Enterprise Risk Management (ERM) System, guided by the Chief Risk Officer. This system has been implemented to enable all employees and business associates to raise any kind of risk identified by them to the next level. The risk management framework comprises the provision to evaluate, prioritise and escalate risks to the highest governing body within the organisation. A snapshot of the organisational structure depicts how it governs, manages and reports sustainability-related issues.



Roles and responsibilities of the Committee

ESG Apex Committee

- Provide organisational vision and overall direction for ESG program
- Review and approval on public disclosures on ESG (annual report, sustainability report, special disclosure)
- Allocate resources required by ESG Core Working Group

ESG Mentors

- Provide specific guidance and operational insights for ESG Core Working Group and ESG project Champions
- Provide quarterly review of activities led by ESG project Champions

CSO & Head ESG

- Coordinate ESG Apex Committee meeting on annual basis or as and when required
- Coordinate ESG Core Working Group meeting on quarterly basis
- Develop ESG disclosures and Sustainability Reporting with inputs from Functional Head, CRO, MR-IMS, Head-Bex
- Facilitate ESG Project Champions for independent validation, audit and assurance of ESG initiatives for Public disclosures

ESG Core Working Group

- Identify material issues and risks with management approach for disclosure in the public domain
- Provide all data inputs, information for ESG requirements and reports for public domain
- Engagements with stakeholders including external rating agencies and auditors relevant to ESG
- Formulate long-term and short-term plan in line with achieving the ESG vision as directed by Apex Committee

ESG Champions

- Lead the assigned ESG project with a 4-5 member cross-functional team
- Coordinate monthly team meetings for progress on respective ESG projects
- Report progress on a monthly basis to Head ESG and on quality basis to ESG members

Our ESG Strategy Framework

Vision

To be a world-class leader in businesses that live, create sustainable value and contribute to nation building

ATL ESG Goal

ESG is the way of doing our business: to be among top companies in the global benchmarking of the electric utility sector by 2022

Governance measures ← ESG strategic pillars → Technical and other measures

Commitment towards global climate action

- Climate Change mitigation and adaptation
- Water stewardship
- Zero waste to landfills
- Biodiversity conservation and natural resources optimisation

Corporate citizenship and enabling social transformation

- Human capital development and Caring Human Rights in the business
- Safety and well-being
- Inclusive Growth including communities
- Innovation and Technology

Responsible business practices

- Business Ethics and Values
- Customer Orientation and Value creation for Stakeholders
- Enterprise Risk Management
- Responsible business partnerships (engagement with suppliers and customers on ESG issues)

Key Performance Indicators

Code of Conduct

ATL has adopted a Code of Conduct for its Directors and Senior Management, which lays down the principles and standards that should govern the actions of the Company and its employees. The Code of Conduct expects all members to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct.

The Company Secretary of ATL oversees compliance with the Code of Conduct as well as reviews the effectiveness of the Code. Suspected and reported violations of the code are investigated and action taken by the Chairman of the Board or the Chairman of the Audit Committee ensuring the Board's oversight on Code of Conduct with ethical issues.

To review compliance with the Code of Conduct, members of the Board and senior management shall affirm the compliance with the code annually, based on which an annual compliance report is prepared and evaluated by the Company Secretary to review the effectiveness of ATL's Code of Conduct.

The Company adopted a Whistle Blower Policy and established the necessary vigil mechanism for employees and Directors to report concerns on unethical behavior in accordance with the provisions of the Companies Act, 2013 and SEBI Listing Regulations. The policy enables the employees to report potentially illegal or unacceptable practices without the fear of victimisation and reprisal. It aims to guide good governance practices and to ensure that concerns are properly raised and addressed. The Vigilance and Ethics Officer is responsible for monitoring the effectiveness of the policy and dealing with concerns raised and reports filed.

Employees can lodge a Protected Disclosure to the Chairman's Office by sending an email to whistleblower@adani.com. To address the concerns of external stakeholders and public, email IDs of senior management are made available in public domain. Stakeholders are requested to write to the Company Secretary (e-mail: jaladhi.shukla@adani.com) and Chief Sustainability Officer (E-mail: cso.transmission@adani.com.) for addressing any concern.

In the reporting period, no breaches occurred with respect to ATL's Code of Conduct.

Preventing corruption and bribery

ATL is committed to conduct its business responsibly by ensuring ethical practices, transparency and accountability across its value chain. As the organisation engages with a wide range of business partners, it is its duty to ensure that people and third parties, who act on its behalf, demonstrate high ethical standards and compliance with all applicable laws.

ATL's Anti-Corruption and Anti-Bribery Policy states the Company's zero tolerance towards corruption and the payment or receipt of bribes for any purpose. It outlines how the organisation defines bribery and corruption and its position on political/charitable contributions, facilitation payments, gifts and hospitality.

To strengthen the system, the Anti-Corruption and Anti-Bribery clauses are incorporated as a part of the Employee Code of Conduct, Supplier Code of Conduct and Code of Conduct for Board of Directors and Senior Management. The Code of Conduct for the Board and Senior Management prohibits Directors, members of the senior management and immediate families from accepting any payments or gifts from persons or firms the company deals with.

The Code and Conduct for employees comprises an explicit statement on prohibition of bribery and corruption. The Anti-Corruption and Bribery clauses are clearly communicated to all employees of ATL through their appointment letter, Code of Conduct and by displaying the policy on the company's employee portal. Further, to ensure compliance, all employees are trained on the Anti-Corruption and Anti-Bribery policy as well as the Code of Conduct at the time of their induction and annually thereafter. ATL's annual online mandatory training on the zero-tolerance policy ensures that employees are able to recognise, avoid, raise concerns and report any potential instances of bribery or corruption. The managers at all levels are responsible for training employees in the Anti-Corruption and Bribery Policy.

To ensure that business partners practice the same ethical standards as ATL, the Anti-Corruption and Anti-Bribery Policy is communicated to contractors, suppliers and other third parties through ATL's supplier Code of Conduct and vendor agreements. According to the Supplier Code of Conduct, all ATL's suppliers are expected to refrain from offering or accepting any undue payment or other considerations directly or indirectly. This consideration is also a key element of ATL's Supplier Risk Assessment, which checks their policies on Bribery, Corruption and Whistle Blowing prior to business agreement.

To ensure a comprehensive compliance with Anti-Corruption and Bribery Policy and regulations, ATL has made zero political contributions in the reporting period. As per the policy of the company, all political contributions need to go through the approval of the Board and as per the applicable regulation, the company discloses the information as per Companies Act 2013 if any political contribution is made.

ATL did not make any contributions to and spending for political campaigns, political organisations, lobbyists or lobbying organisations, trade associations and other tax-exempt groups during the reporting period with the objective to influence public policy.

Vigil Mechanism/Whistle Blower Policy

ATL has a Whistle Blower Policy and Vigil Mechanism in place in accordance with the provisions of the Companies Act, 2013 and SEBI Listing Regulations. The policy and mechanism enable employees to report potentially illegal and/or unacceptable practices without a fear of victimisation and reprisal. It aims to guide good governance practices and ensure that concerns are properly raised and addressed.

Any concerns related to Anti-Corruption and Bribery policy or suspicions of malpractice are to be reported as per the Vigil Mechanism/Whistle Blower Policy. Accordingly, the concerns and suspicions of violation can be reported to managers at all levels and the Vigilance and Ethics Officer. The Vigilance and Ethics officer is responsible for monitoring the effectiveness of the policy and dealing with concerns raised and reports filed. Managers at all levels are responsible for ensuring that those reporting to them are made aware of and understand this policy, undertake training on how to implement and adhere to it and monitor compliance. To make the mechanism effective, employees can lodge a Protected Disclosure to the Chairman's Office by sending an email to whistleblower@adani.com.

As specified in the Anti-Corruption and Bribery Policy, as a part of ATL's organisational-level risk identification and management process, all businesses periodically undertake bribery and corruption risk assessments to understand the risks it faces and ensure that it has adequate procedures to address those risks. The risk assessment is documented, periodically reviewed and the Board updated on a half-yearly basis in accordance with applicable regulations.

In FY 2020-21, no violation of the Anti-Corruption and Bribery Policy was reported.

Our robust risk management system

Efficient risk management is the key to achieving short-term goals and sustained value creation over the long term.

Risk Management Governance Structure

Overview

ATL has established a comprehensive risk management system to facilitate its objectives, ensuring that risks that could have an impact on them are identified, analyzed, assessed, managed and controlled. Risk Management is a process driven by ATL's Board of Directors assisted by the Audit Committee and Risk Management Committee, which reviews and monitors risk management processes in accordance with governance requirements.

Governance of risk management

At ATL, the responsibility of risk management is assigned to committees, departments and professionals at multiple levels. The comprehensive nature of the Risk Management System guarantees the effective involvement of all organisational units and ensures that different governing bodies responsible for risk control are kept abreast of the status of the risks at all times.

Board-Level Risk Management Committee: Audit Committee and Risk Management Committee of the Board provides oversight to the identification and management of the most significant risks and is responsible for review and monitoring of the effectiveness of the risk management processes of the company. The Board-level Committee provides guidance to the Management Risk Committee (MRC).

Management Risk Committee: The Management Risk Committee (MRC) assesses, manages and reports all significant risks, impacts on ATL's business and mitigation measures identified and planned to the Board-level committee. The Committee assesses effectiveness of the risk identification process and provides guidance on priority risks and their mitigation to the Business Risk Team (BRT) and Functional Risk Committees (FRCs).

Site/Functional Risk Committees: The Functional Risk Committees are represented by cross-functional members assigned with the responsibility of monitoring the management of identified risks across business units.

Business Risk Team: The Business Risk Team of ATL is assigned the responsibility of overall supervision and coordination of risk management at different business units. Risks identified by functional and site risk committees are evaluated and high potential risks are reported with mitigation plans to the Business Risk committee. The Chief Risk Officer, Mr. Vivek Singla, is the highest-ranking person with dedicated risk management responsibilities at an operational level and reporting at directly to the CEO.

Our approach to risk management

The Management Risk Committee (MRC) assesses, manages and reports on all significant risks, the impact on the business and mitigation measures. The Committee also assesses the effectiveness of the risk identification process, determining the alignment of risk management to the Company's risk appetite. Responsibility for monitoring the management of these risks is assigned to the Functional Risk Committees (FRCs) for respective business units, with overall supervision and coordination provided by a Business Risk Team (BRT).

The risks are then considered at a Group level through the monitoring process of the Audit Committee and Risk Management Committee(s).

Our risk management process

Our risk management process aims to supports the delivery of the Group's strategy by managing the risk of failing to achieve business objectives. By focusing our risk management system on the early identification of key risks, it enables us to conduct a detailed consideration of the existing level of mitigation and the management actions required to either reduce or eliminate the risk.

Risk Management framework

ATL established a Risk Management framework based on the COSO (Committee of Sponsoring Organisations of the Treadway Commission) framework and aligning towards ISO 31000 to manage risks identified with the aim to support strategy and achieve business objectives.

ATL has defined a substantive impact, considering financial aspects, operational aspects, stakeholder impact and statutory compliances or regulatory requirements. For instance, a critical impact is one where an operational issue can result in a significant loss due to closure / stoppage of operations beyond one day, improper utilisation of resources of a material value (> 1% of profit or revenue), reputation loss due to community issues, damage to critical machinery, fatal accidents or a financial impact of more than ₹50 Crore or loss of reputation/irreparable damage/ partnership issues or serious consequence for non-compliance and penalty more than ₹10 Lakh etc.

ATL's risk management framework focuses on the early identification of key risks and conducts a detailed consideration of the existing levels of mitigation and the management actions required to either reduce or eliminate the risk. The risks identified are prioritised, evaluated to understand the probability and magnitude of the impact on business for which an appropriate management plan is devised.

To ensure effective risk management, ATL conducts risk assessments in the form of Sensitivity Analysis and Stress Testing to proactively capture potential risks that could generate a significant impact on the business and assess the health of the organisation in terms of financial risks, market risks etc. In this context, ATL performed Sensitivity Analysis and Stress Testing to identify, analyse and manage the following enterprise risks:

- Financial Risks including Credit Risk and Liquidity Risk
- Market Risks including Interest Rate Risk and Foreign Currency Risk
- For the determination of defined employee benefit obligations

The step-by-step Enterprise Risk Management process is as follows:

- Risk identification is done by Functional Heads, Business Heads and senior leaders based on their business experience, environment scanning and performance results. Employees participate through suggestion boxes and expert opinion on business risks is sought. Internal audit reports, identifying control weaknesses and strategic challenges, are used.
- Identified enterprise risks need to be evaluated on criteria of impact, probability and velocity

with a mechanism to value risks on standard parameters that should facilitate the ranking of enterprise risks for devoting focus and resources towards critical risks.

- Based on risks identified and evaluated, a decision has to be taken for risk treatment. A decision on 'Accept, Treat, Transfer and Terminate' is taken for every enterprise risk. Having decided to treat the risk, a mitigation plan needs to be finalised based on a cost-benefit analysis. Selected mitigation measures are tracked for its implementation and achieving the desired outcome in terms of time and benefit. While developing a risk mitigation plan, a risk indicator is identified to track movements in enterprise risk.
- Each risk owner and functional head monitors movements in enterprise risk and mitigation plans. Monthly reports are made and appropriate steps taken for correction and improvement.
- The monitoring and reporting of enterprise risks and status of mitigation plans help in understanding trends in risks, importance for mitigation measures, etc. Reviews by a functional committee followed by the senior leadership committee help identify focus areas and mitigation plans to drive positive trends in enterprise-level risks.

Risk Management Frame work

Key risks	Mitigation strategy	Capital linkage
O&M		
Loss of availability due to breakdown of equipment	▪ Regular predictive and preventive maintenance of assets ▪ Insurance coverage ▪ Asset health management programme • Residual Life Assessment (RLA) of critical equipment • Condition-based monitoring • Predictive analysis • RCM (Reliability Centred Maintenance) • Specialised in-house diagnostic team	
Failure of major equipment, i.e. transformer, reactor, tower etc. due to natural calamity	▪ Adequate spares availability for restoration ▪ Early resource deployment for restoration ▪ Emergency Restoration System (ERS) availability for early restoration of line ▪ Insurance coverage ▪ Spare pooling mechanism with peers ▪ Vendor-maintained inventory	
Ability to obtain Right of Way (RoW)	▪ Administration help/support ▪ Relation building with local authorities ▪ Settlement of issues during project phases	
Scarcity of skilled manpower	▪ Creating bench strength ▪ Multiskilling and multitasking ▪ Retaining of HVDC terminal station staff ▪ Capability building – Periodic trainings and development ▪ Retaining of ERS and hotline-trained staff ▪ Job rotation and on-job training to crate a pool of skilled manpower for specialised operation and maintenance	
Attrition	▪ Culture building ▪ Right people at the right job ▪ Employee engagement ▪ Career management and ability to offer growth opportunities as a growing organisation ▪ Internal job postings	
Scarcity of skilled contractors	▪ Developing in-house capabilities ▪ Vendor development ▪ Technology intervention to reduce dependency ▪ Revising strategy for work packages instead of EPC contracts (directly connect with sub-contractors)	
Statutory and regulatory policy change by government	▪ Timely involvement by submitting suggestions to authorities during draft policy/regulations	
May not be able to offset any increase in costs, including operation and maintenance costs, solely from tariffs payable to us under the TSAs	▪ Proper estimation of O&M cost during the bidding to minimise any upside during execution ▪ Technology intervention to keep track of asset health and digital operation of assets for efficient and consistent performance	
Migration of customers	▪ Overall cost optimisation (to become tariff-competitive) ▪ Incentive scheme for LECs and employees to promote consumer acquisition ▪ Value-added services to customers	

Key risks	Mitigation strategy	Capital linkage
Engineering		
Realignment of lines due to other lines in the parallel route being under construction	In such cases, our in-house engineering team is well-equipped to complete the revised engineering in a short span of time along, with designing of specialised towers to mitigate cost and timeline. However, any considerable increase in cost because of external factors can be claimed under change in law/force majeure, as applicable.	
Regulatory		
Domestic business risks		
Shrinking pipeline for TBCB opportunities: Government to award most of the projects through the MoU route. Majority of the intra-state projects are not being awarded through the TBCB route.	Policy advocacy at the central and state levels to award all future transmission projects on the TBCB model. States would be identified with a high potential of future transmission infrastructure requirements and prioritised for policy advocacy for awarding intra-state transmission project on the TBCB model.	
Lack of timely identification and completion of acquisitions or non-efficient integration of the businesses, technologies and products that we acquire, may affect our operations and profitability	Proactively approaching the companies to gauge their keenness for selling assets. For valuation of M&A activities, an independent view may be taken. Appropriate costs may be factored towards integration and smooth operations.	
New players looking to enter the transmission space might drive down returns	Cost optimisation in procurement, project execution, finance and O&M functions to provide competitive offer. Innovative financing options such as refinancing shall be continuously considered for financing cost optimisation.	
Competitive advantage to the Central transmission utility due to its scale of operations		
Forward integration of EPC contractors in transmission	To become more competitive in our cost estimation, project execution will be in line with market forces.	
Slowdown in the pace of regulatory reforms – Revision of standard bidding document and amendment to Electricity Act, etc.	Policy advocacy with the Centre, States and regulators for revision of standard bid documents and Electricity Act	
International Risks		
Political stability	Before getting into business in a foreign country, political stability shall be assessed and cost pertaining to such risk shall be factored appropriately.	
Inflation risk	Escalation on inflation either to be managed as a pass-through component in the contract or back-to-back contracting for O&M may be passed on to the sub-contractor. Moreover, suitable costs would be considered in the model at the bidding stage itself.	
Repatriation	Investment to be undertaken only if repatriation is allowed and if there are any changes in rules/laws w.r.t repatriation that should be appropriately addressed in the contract.	
Foreign exchange risk	A suitable hedging strategy and accounting the hedging cost upfront	
Skilled resources availability	To be assessed before getting into the foreign business. Visa rules for expats to be looked at and the cost of deputation of existing employees, including deputing personnel after recruiting in home country, would be assessed.	

Legend

Financial Capital | Manufactured Capital | Human Capital | Intellectual Capital | Social and relationship Capital | Natural Capital

OUR ESG COMMITMENT

Our low-carbon environment approach

At Adani Transmission, we believe that a low carbon approach is not peripheral to business; it is integral to it. A low carbon approach represents a foundation that facilitates business scalability. This priority is now virtually universal, making it possible to attract debt quicker and at a lower cost; it enhances stakeholder confidence translating into stronger employee retention. By making operations safer, more predictable and more efficient, there is a positive influence on profitability. ATL has embraced the philosophy of a low-carbon business and intends to emerge as a responsible thought leader in the transmission and distribution of clean power.

Climate change

At ATL, our objective is to build enduring multi-decade assets. Over the years, we invested in the fabrication of operating assets designed to resist extreme heat waves and humidity that could potentially impair grid efficiency. Besides, the de-carbonisation of thermal-based power systems could alter the grid energy mix, warranting adaptation. Besides, our transmission assets are located in Rajasthan, Gujarat, Maharashtra, Bihar, Madhya Pradesh, Haryana, Uttar Pradesh, Chhattisgarh and Jharkhand that are vulnerable to natural disasters, putting a premium on our ability to build resilient infrastructure.

As a forward-looking infrastructure company, we have integrated climate considerations into our decision-making and risk management. We play a constructive role on new climate change policy solutions with governments, industry associations, environment organisations and communities. We focus on the improvement of ongoing emission intensities and operational efficiency. We track and report our related initiatives to moderate energy consumption and carbon emissions.

ATL embraces its responsibility not only to power communities but also address risks posed by climate change. As a transmission and distribution company, ATL's business is exposed to physical and transition risks due to climate change, making it imperative to take into consideration emerging climate change conditions and their impact while deciding a specific geography, design, construction, operation, and maintenance of infrastructure (existing or new) and an effective policy to tackle related challenges.

Being a responsible corporate citizen, ATL recognises its role in creating a low-carbon and sustainable economy without compromising collective and holistic growth. The company became a signatory to the Declaration of Private Sector on Climate Change, pledging to take climate actions to drive the country towards targets under the Paris Agreement.

The company's goal is to establish stronger transmission networks within each system and stronger interconnections between systems. To achieve the same out of various approaches during the design stage, one of our practices is to evaluate all conditional aspects like wind zones, seismic zones, soil resistivity, water properties, hydrological assessment and other environment factors. By the virtue of this, our towers possess the capacity to withstand a range of contingencies and adverse realities.

The Company took appropriate insurance for all assets against foreseeable risks. The cost of repairing and restoring assets due to any damage caused due to unforeseen conditions, including risks due to climate change, are covered by insurance, which protects stakeholders from climate change risks.

ATL's Board of Directors recognises the importance of climate change issues as well as their significance to business and stakeholders. It recognises the potential impact and opportunities climate change could create for the group's generating and operating capabilities.

Given the significance of risks and opportunities posed by climate change on ATL's business, including physical, regulatory and market-related issues, the Board and its committees are actively involved in related issues.

ATL's Board committees, including the Corporate Social Responsibility, Sustainability, Audit and Risk Management Committees, are informed of climate risks within the Risk Mangement framework, sustainability policy, management systems and monitoring results, depicting the effectiveness of the management systems and data assurance. The climate-related issues of ATL are addressed by a Corporate Sustainability Policy; policy deployment is reported to the Board.

The Board of Directors has delegated the responsibility for extra-financial disclosures to the CEO. All strategic and operational responsibilities, including climate change related issues, sustainability performance and value creation, are executed by the CEO of ATL.

Corporate action in response to climate change-related issues and achievement of targets, including implementation of energy-efficiency measures, is a part of the CEO's key result areas (KRA). In line with the KRA, climate change and sustainability-related performance-based incentives are incorporated in the senior management's compensation. Senior executives, including plant heads, energy managers and station heads have their remuneration linked to climate change and sustainability-related performance-based incentives.

Climate change risk management framework

At ATL, climate-related risk and opportunities are identified and assessed under two processes - Health, Safety, and Environment Management System and Enterprise Risk Management.

ATL's established risk management framework was constituted under the Risk Management Committee, which assesses, manages and reports on all significant risks, business impact and mitigation. This provides a framework to manage risks while achieving strategic and operational objectives and continuing to meet ATL customer needs. The risk management team, guided by the Chief Risk Officer, is implemented across the company to enable all employees and business associates to raise any risk identified by them to the next level. ATL's risk management framework is based on COSO (The Committee of Sponsoring Organisations of the Treadway Commission) framework.

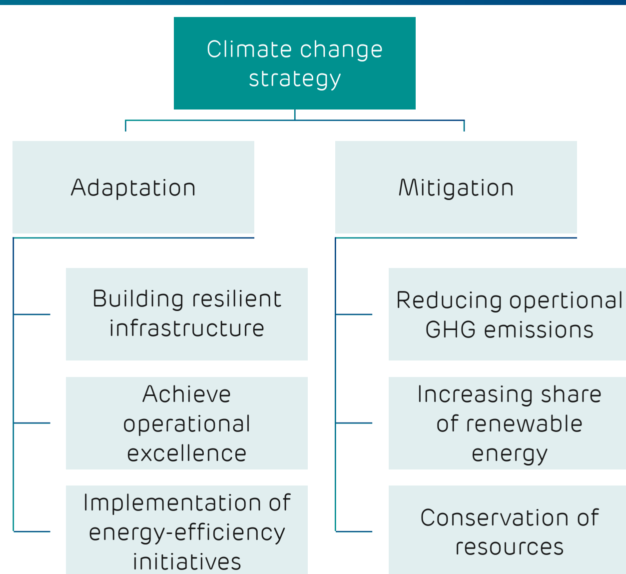
Demonstrating ATL's commitment to addressing and managing climate change, the organisation integrated climate change risks, including physical and transition risks, as a part of the organisation's established risk management framework. The climate change-related risks are overseen by the Audit and Risk Committee of the Board.

Strategy

To address the challenges and minimise the impact of climate change on operations, ATL has adopted adaptation and mitigation strategies. ATL's strategy is to evaluate the impact of climate change and operations to adapt systems to become more flexible and resilient. Following impact evaluation, the company minimises greenhouse gas emissions by increasing ATL's percentage share of renewable energy generation and transmission, investing and implementing energy-efficiency measures and pursuing active water stewardship.

Key aspects of ATL's strategy

- Integrating climate considerations into key business decision-making and managing related risks through ATL's corporate enterprise risk management system
- Playing an active constructive role in new climate change policy solutions with governments, industry associations, environmental organisations and communities
- Improving emission intensities and operational efficiencies across all ATL facilities
- Tracking and reporting efforts to increase renewable energy share and reduce energy consumption.



Climate change risk assessment

As a transmission and distribution company, ATL's business is exposed to physical and transition risks of climate change.

Scenario analysis

To identify and assess climate change-related risks inherent in ATL operations, the organisation adopted a climate scenario-based analysis technique. ATL employed IPCC's RCP 4.5 (medium emission) and RCP 6.0 (high emission) pathways (equivalent to 1.7-3.2°C) to assess operating site risks and impacts. The climate change issues, including projected changes in the monthly maximum temperature, monthly rainfall, severe drought likelihood and land projected to be below annual sea level, were studied in this scenario analysis. The climate projections were carried out for the medium-term (2020 to 2039).

Physical risks

Physical risks resulting from climate change can be event-driven (acute risks), including increased severity of extreme weather conditions like cyclones, hurricanes, floods etc. or longer-term shifts (chronic risks) in climate patterns that could cause a change in wind patterns, hydrological flows, sea level rise, etc. Physical risks have the potential to impact the organisation, directly damaging assets and indirectly disrupting the supply chain.

Acute risk: According to the scenario-based climate risk assessment, ATL assets (Rajasthan, Gujarat, Maharashtra, Bihar, Madhya Pradesh, Haryana, Uttar Pradesh, Chhattisgarh and Jharkhand) were prone to acute physical risks like flooding, cyclones and earthquakes.

Chronic risk: Projected increase in temperatures due to climate change can significantly impact transmission and distribution efficiency and reliability due to energy losses. The projected physical risks could significantly damage the ATL's transmission infrastructure and impact grid efficiency. Although no significant climate change impacts were recorded, to address worst-case scenario and the findings of ATL's climate projections the sites were classified as critical and appropriate risk management measures were taken.

Adaptation and mitigation measures

Building resilient infrastructure: ATL strives to establish stronger transmission networks within each system and stronger interconnections between systems by employing robust tower designs to withstand extreme weather events. ATL's infrastructure design practices proactively evaluate all conditional aspects like wind zones, seismic zones, soil resistivity, water properties, hydrological assessment, and various other environmental factors. By the virtue of this, ATL's towers hold the capacity to withstand a range of contingencies and adverse conditions.

Achieve operational excellence: One of the most significant impacts of high temperatures on the transmission and distribution networks is the loss of efficiency and reliability of networks due to energy losses. ATL endeavors to minimise energy losses by modernising transmission and distribution networks resulting in enhanced operational excellence.

Emergency Restoration System (ERS): ATL's operational resilience rests on its ability to rapidly recover following an extreme weather event. Rapid recovery following a transmission or distribution network collapse requires inspection and replacement or repair of damaged system components. ATL has two ERS sets in the central part and one ERS set in the western part of country.

Transition risks

Transition risks and opportunities created by climate change are driven by shifts in policy, legal, market and technologies to address mitigation and adaptation requirements associated with a low-carbon economy. In this context, ATL considered the following transition risks that could impact its business.

Transition risk	Risk	Opportunity
Policy and Regulatory risks	▪ Pricing of GHG emissions such as a Carbon Tax ▪ Enhancing GHG emissions limiting and reporting obligations ▪ Enhancing mandates on renewable energy share.	▪ Reducing the organisation's GHG emission intensity ▪ Maximising renewable energy integration ▪ Implementing energy-efficiency initiatives
Technological risks	Shift to low carbon technologies	▪ Enhancing renewable power capacity
Market risks	The market may be disrupted, affecting the ability of players to transition	▪ Access to emerging markets through renewable energy mix in the distribution business ▪ Supporting customers by facilitating rooftop solar installations ▪ Commissioning EV charging stations

Reduction of GHG emissions

ATL's GHG footprint in the reporting period was 2.59 Million tCO_2e of Scope 1 emissions and 0.33 Million tCO_2e of Scope 2 emissions and 3.76 Million tCO_2e of Scope 3 emissions. The Scope 3 emissions were accounted for top three categories as per the GHG Protocol - upstream transportation, mainly coal by sea, rail and road route; electricity traded and downstream transport of fly ash. emissions from employee commute for thermal power plant, business travel for thermal power plant, contractor vehicles transporting material and machinery, contractor vehicle engaged in people movement and electricity consumed by customers. ATL endeavors to report more Scope 3 emission categories in the coming years.

ATL has set a target to reduce greenhouse gas emission intensity (on per ₹ revenue generation) by 40-45% by FY 2023-24 in line with India's National Determined Contribution (NDC).

In line with this target, ATL disclosed its baseline carbon intensity at 4.58 tCO_2e/ Lakh ₹ revenue generated in FY 2018-19 as baseline as a part of the Integrated Annual Report 2019-20 and its first CDP response in 2020. In the current reporting period, the carbon intensity stood at 2.56 tCO_2 /Lakh revenue in the last financial year.

The reduction in GHG emissions was achieved mainly through an increased share of renewable energy and investment in energy efficiency initiatives during the reporting period as discussed below.

Environmental factors impacting ATL's business model

Climate awareness	Carbon emissions	Resource management	Waste Management
Climate readiness	**Reduced the carbon footprint** ▪ Increase in renewable procurement for the distribution business (awarded 700 MW of solar + wind power contracts to be available by or before FY22) ▪ Promotion of rooftop solar in Mumbai ▪ Ground-mounted solar power of 2.362 MWp for auxiliary consumption at various ATL substations	**Optimised resource use** ▪ **Water:** Rainwater harvesting at substations ▪ **Land:** Compact substations in distribution business (elevated and underground substations)	**Reused and reduced waste** ▪ 100% fly ash utilisation at generating stations ▪ S+5S implemented at all locations
Climate alignment	**We are moving into the next stage of our sustainability journey with more ambitious plans and targets related to preserving environment and measuring GHG emissions by:** ▪ Evaluating and planning for climate change driven adversities ▪ Providing efficient energy solutions for Mumbai's 3 Million+ customers **We have aligned our business plan and are investing in activities for sustainable growth:** ▪ Research & Development for design-driven efficiency ▪ Biodiversity management and conservation ▪ Optimisation of waste and energy consumption		

Environment strategy

		Impact level	Goal
Build resilient infrastructure	**Adaptation**	Moderate	▪ Long-term sustenance of tower
Achieve operational excellence	**Adaptation**	High	▪ Reduction in downtime during maintenance ▪ Maintain more than 99% availability
	Mitigation	High	▪ 30% renewable power procurement for the distribution business by FY 2022-23 ▪ 100% auxiliary consumption from renewable sources in transmission business
	Mitigation	Low	▪ Enhance rainwater harvesting at substations ▪ Compact substation
Protect ecological services	**Adaptation**	Low	▪ Land use ▪ Increase green cover

Actions	Key parameters	Performance
▪ Robust tower designs to withstand extreme events	Number of tower collapses recorded	Zero
▪ Minimise energy loss ▪ Maximise network availability	▪ Average distribution loss ▪ Transmission system availability 99.76%	▪ Average distribution loss: 7.82% ▪ Transmission system availability: 99.87%
▪ Maximise renewable energy use	▪ RE% procurement ▪ Renewable power capacity (MW) ▪ % power consumed from RE source in transmission business for auxiliary power	▪ AEML has tied up a hybrid (solar+wind) 700 MW PPA ▪ Renewable energy procurement from grid: 2.78 % ▪ Renewable power capacity installed: 2.362 MWp ▪ % power consumed from renewable sources in transmission business for auxiliary power: 13.77% at substation
▪ Replenish groundwater ▪ Reduce resource use	▪ Rainwater harvesting capacity created at substations ▪ Land use optimised	▪ Freshwater withdrawal (KL): 18,76,710 ▪ Water recycled (KL): 2,33,754 ▪ Compact substations in distribution business (elevated and underground substations)
▪ GIS substation ▪ Plantation drive	▪ Number of GIS substations ▪ Number of plantations	▪ 6 GIS substations ▪ Total trees planted (cumulative): 2,44,67,389

Carbon sequestration

ATL invested in plantation activities in and around its operations to influence carbon sequestration.

During the current reporting period, ATL planted 41,137 trees in and around its operating sites. Over the past 20 years, ATL planted 2,44,67,389 trees covering 343.3 acres, including a grown forest between 10 to 20 years of age, grass including 0.5 meter subsurface root-system and mangroves (10 to 20 years).

ATL is in the process of developing an Internal Carbon Pricing Mechanism based on its emission intensity. ATL has participated for the first time in the CDP disclosure of climate change during the current reporting period and is a signatory to the Task Force on Climate Related Financial Disclosures (TCFD).

Type of green coverage	Area (hectare)	Unit	Carbon sequestration (Tonnes/ ha / year)	Total CO_2 uptake Tonnes/year
Full grown forest between 10 to 20 years age or plantation with 1,000 full-grown trees per hectare	116.21	Tonnes/ hectare/year	1.25	533.11
Grass including 0.5 meter subsurface root-system	31.65	Tonnes/ hectare/year	0.75	87.12
Carbon sequestration by mangroves (around 10 to 20 years)	195.38	Tonnes/ hectare/Year	2.25	1,793
	343.24		**4.25**	**2,413**

Environmental performance

At ATL, we hold the ideal of zero violations of environmental regulations and laws dear to our existence. We comply completely with all applicable environmental regulations based on a foundation of accountability, engagement and continuous improvement. In view of this, we stay abreast of evolving global and Indian environmental regulations. We audit our compliance procedures; we enhanced scrutiny through the use of our legal software LEGATRIX that enhances control.

As an ongoing discipline, we subject ourselves to an annual audit that measures our adherence with environmental regulations, permits and environment management system. We instituted control systems, the results of which are regularly reviewed by our Board's Audit Committee. We extend beyond mere compliance requirements from a narrow perspective towards performance standards that exceed the prevailing sectorial average; we have also extended from compliance-driven reporting to voluntary awareness enhancing engagements in schools and villages on resource conservation.

Build resilient infrastructure

Robust tower design: The transmission networks have evolved from the singular and local to regional and interregional, strengthening national network reliability. In addition to the conventional tower designs customised to our needs, we developed innovative designs that reduce the need for patches and braces, which minimise structural stress during construction. The result is that ATL towers comprise a smart cum cost-effective arrangement of secondary members, flange connections and notching tower strength and network reliability. Besides, the company's technology-driven tower design accounts for wind zones, seismic zones, soil resistivity, water properties, hydrological assessment and other factors to withstand extreme operating conditions.

Minimise losses: Rising temperatures could affect transmission and distribution network efficiency, affecting margins, competitiveness and reputation. Over the years, the company has invested in design, technology and periodic upgradation with the objective to minimise energy losses by modernising transmission and distribution networks.

Emergency restoration system: The capacity to revive and recover following a transmission or distribution network collapse warrants continuous vigilance and a trained workforce. In lightweight structures, ERS helps restore the transmission system with a tower erection tenure of 3 to 15 days that minimise restoration delays. ATL has two ERS sets in the central part and one ERS set in the western part of country. We regularly do mock-drills to check the readiness of system.

Operational excellence

RE integration: Clean energy integration into conventional transmission networks reduces emissions and costs. Although the initial cost to integrate variable energy flow is high, it is exceeded by returns. The integration of renewable energy also offers

ATL a widening opportunity in view of the Government of India's target of generating 175 GW of renewable energy by 2022.

Moderate resource use: The only negative environmental impact of the transmission business could be during construction and operation. ATL implemented Environmental Management Systems and monitoring processes to moderate its environmental footprint across operations.

Energy reduction: During FY 2020-21, ATL consumed 5,23,53,636 GJ of direct energy and 85.581 GJ of auxiliary power across substations and repeater stations. The decarbonisation plan comprised improvements in the energy mix of the distribution business and facilitating rooftop solar installations and EV charging services. The station heat rate for the Dahanu thermal plant of 2,264.64 kcal/KWh was one of the best in the country.

Achievements in FY 2020-21

- Received Single-use Plastic-Free certificate from CII for 3 SS (Mundra HVDC, Mahendragarh HVDC and Koradi SS) and Adani Dahanu Thermal Power Station of AEML.
- Adani Dahanu Thermal Power Station, a 500 MW TPP of AEML, has achieved certification for Zero Waste to Landfill (ZWL) with diversion rate of 99.87% on mass balance basis.
- Achieved DJSI-S&P score of 52 and secured 41st position in the World.
- Obtained ISO 27001 for IT Security for the entire ATL boundary.
- 100% operations and project sites were covered under ISO 14001 and ISO 45001.
- Rated BBB for MSCI (Morgan Stanley Capital Investment).
- Specific GHG emission reduction compared to baseline.

Energy performance

The energy consumed by ATL comes from non-renewable and renewable sources. Some part of the energy (power) consumed is generated from the coal-based thermal power plant located at Dahanu, Palghar, in Maharashtra, while some energy is purchased by ATL.

ATL has set the following targets to increase the percentage of energy consumption from renewable energy sources.

• 30% renewable energy power procurement for the distribution business by FY 2022-23 for which needful power purchase agreement has already been done.

• 100% auxiliary consumption from renewable sources in transmission business

• Installation of renewable generation capacity ability.

Energy intensity

With an intention to reduce the energy consumption year-on-year, ATL discloses the energy intensity parameter, which is a ratio of the total energy consumed to revenues generated for the particular year.

Parameter	FY 2020-21	FY 2019-20	FY 2018-19
Energy intensity (Gigajoules/revenue in Million rupees)	0.81	0.81	1.31

During the year under review, ATL implemented energy-saving initiatives that helped moderate cost savings and environment impact. The Company continued to make structural changes in equipment; it replaced parts to plug leakages and reduce inefficiency.

The GHG emissions accounted for the Scope 1, Scope 2 and Scope 3 emissions are listed below:

Particulars	Unit	FY 2020-21	FY 2019-20	FY 2018-19
Scope 1 emissions	tCO_2e	25,92,313	31,87,007	34,46,189
Scope 2 emissions	tCO_2e	3,32,211	21,155	24,078
Scope 3 emissions	tCO_2e	37,63,610	53,56,636	-

Air pollution

ATL's direct environmental impact is through its generating station at Dahanu, which has been invested with state-of-the-art technologies to moderate air and water emissions to well below compliance requirements. As a forward-looking entity, ATL endeavors to extend beyond compliance requirements. This can be witnessed in the operations of ATL's thermal generation unit which was awarded a 5-star rating by the Maharashtra Pollution Control Board (MPCB) for low levels of PM10 emissions in the current reporting period.

At ATL's generating station, the various measures taken to control pollution have been as follows:

- To control Particulate Matters (PM) generated from the coal burning, electrostatic precipitators (ESP) comprising four passes with six fields and efficiency of over 99.91% to collect fly ash were provided.
- To control sulphur dioxide (SO_2) emissions, the flue gas desulphurisation (FGD) unit with efficiency of more than 90% was commissioned in October 2007. This measure ensures that ATL's SO_2 emissions are well within the norms set by the Central Electricity Regulatory Commission (CERC).
- Due to the provision of Over Fire Dampers, the NOx emission was within limits since inception; a stack of 275.38 meters height ensured thin dispersion of flue gas over a large area.
- The Company was the first in India to install FGD to prevent sulphur emissions/acid rain.
- The Company invested in four Ambient Air Quality Monitoring Stations to protect consumer health

Emissions due to other sources

Emissions by source	Unit	FY 2020-21	FY 2019-20	FY 2018-19
Direct NOx emissions	MT	2,989.9	2,941.56	2,666.88
Direct SOx emissions	MT	1,407.2	1,069.6	1,004.1
Direct Particulate Matter emissions	MT	379.3	392.6	375.7

ATL has set a target to reduce greenhouse gas emissions intensity (on per ₹ revenue generation) by 40-45% by FY 2023-24 in line with India's Nationally Determined Contribution (NDC).

The reduction of GHG emissions was achieved mainly through increased renewable energy share and investment in energy efficiency initiatives during the current reporting period.

Energy efficiency programmes

ATL implemented various energy-saving initiatives that helped the Company generate cost savings while reducing environment impact. The organisation identified opportunities to reduce its environmental footprint in a phased manner. The organisation made various structural changes in equipment, replaced parts to plug leakages and reduced inefficiencies. ATL reduced 448.58 MWh following the replacement of conventional lights with LEDs. This reflected in a reduction of emissions by 368 tCO_2e. The Company announced a scheme to provide energy-saving ceiling fans at a 25-30% subsidised cost for 50,000 residential customers in Mumbai suburbs on a first-come first-served basis.

Energy initiative projects

ATL is known for its distinctive operational performance that sets it apart from others, in terms of technological innovation, superior performance and sustainability. We implemented the following energy saving projects at ADTPS during FY 2020-21.

- HP heater performance improvement by attending parting plate leakage (improvement in heat rate by 7.8 kcal/kWh)
- Replacement of BFP cartridge in BFP 1A (reduction in auxiliary power consumption by 582 kW per hour)
- Installation of energy-efficient lighting (reduction in auxiliary power consumption of 448 MWh per annum)


Genie
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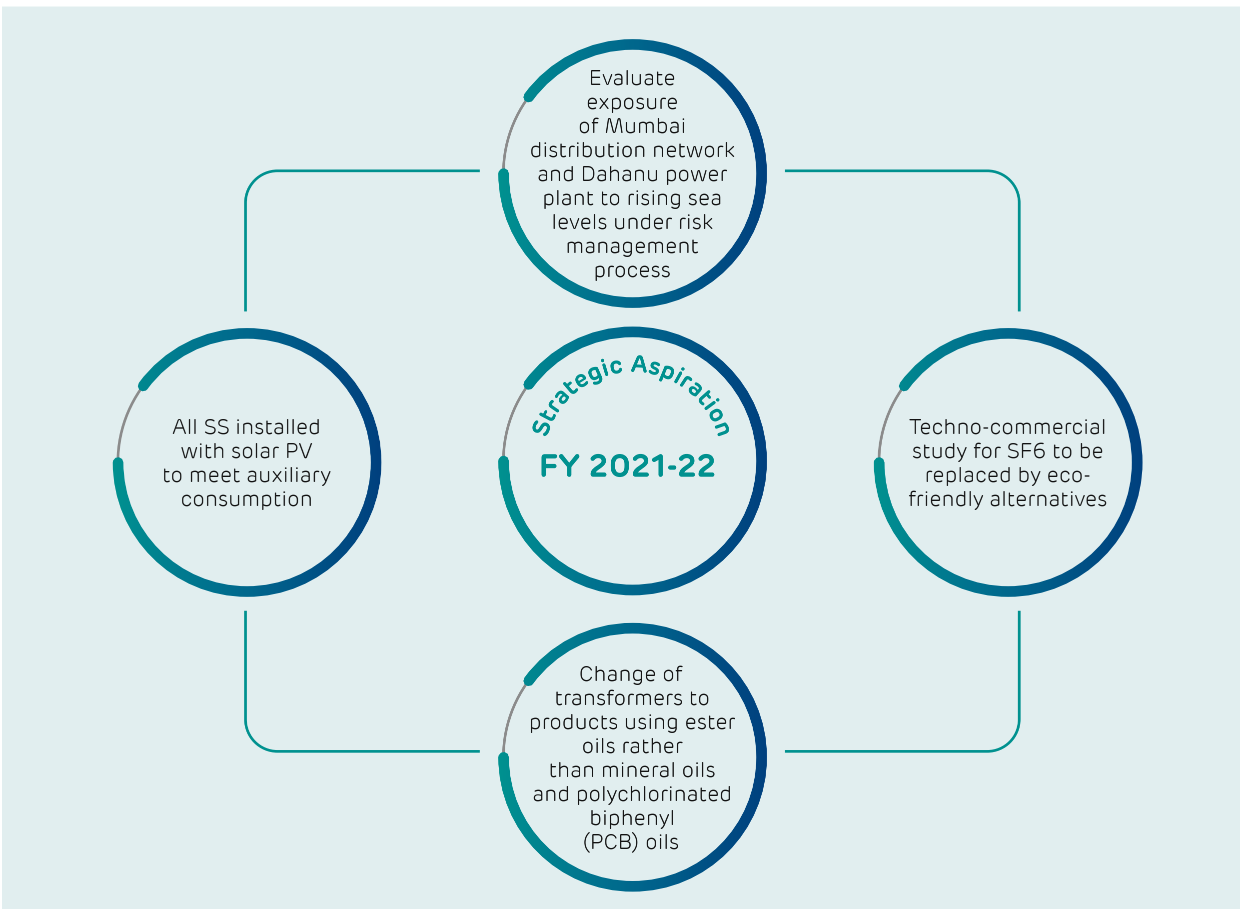
Emission reduction

The use of SF_6 has a high Green Warming Potential (GWP). In view of this, ATL intends to replace the use of SF_6 in electrical insulation with environment-friendly solutions. The company follows a strict protocol for the use of SF_6 in circuit breakers and refrigerants like R-22/R-32/R-410 in air-conditioners. For all installed electrical equipment, the company conducts a preliminary screening for capturing SF_6 emissions and the use of SF_6 leakage detection kit for detecting leakages. Refrigerant usage is monitored using a simplified material balance method. Scheduled maintenance ensures minimum refills. Operational parameters are monitored for deviations and promptly addressed when needed.

Emissions	Unit	FY 2020-21	FY 2019-20	FY 2018-19
Emission due to SF6	tCO_2e	745.56	895.58	5,108.11



Water risks

ATL prioritises sustainable water management and implementation of the best management practices to minimise water consumption, maximise reuse and recycling, while addressing site-specific water-related issues. As thermal power generation is water-intensive, ATL focuses on responsible consumption through optimal water utilisation and conservation. Except for the power generation plant, all operating sites are sub-stations or transmission lines that are not water-intensive locales or do not require water for activity apart from domestic use. To ensure robust water management, conscious water consumption and water risk mitigation, ATL conducts a self-evaluation to assess whether the operating locations are water-stressed using tools like WBCSD Global Tool, etc.

Water management is integrated into ATL's risk identification, assessment and management processes, which enables the company to assess and prioritise risks, including water. ATL's dedicated EHS corporate policy emphasises conserving natural resources and an established Environmental Management System. Water management systems and procedures are covered under the Environmental Management Plan, which helps in systematic monitoring, controlling, checking, corrective actions and addressing water-related risks. The Company ensures systematic tracking and monitoring water availability. This is included in the organisation's risk identification and management process due to its relevance in its operations. ATL has a comprehensive database-monitoring system at its facilities to collect data regarding water availability including withdrawals and discharges. The collected data is compiled at the corporate office and published in Sustainability/Integrated Reports. WRI Aqueduct tool is used to assess water availability in the area of operations and watershed level to obtain information regarding which sites are operated in water-stressed areas.

ATL employed the IPCC's RCP 4.5 scenario (equivalent to 1.7-3.2) analysis to study various impacts like a projected change in the monthly maximum temperature, monthly precipitation, severe drought likelihood and land projected to be below the annual flood level for 'Period: Impacts Projection' during 2020 to 2039. Water stress analysis is conducted to redefine the present approach towards water management; drought risk analysis is conducted to estimate probable changes in water availability to formulate a proactive approach towards future needs using the WRI-Aqueduct and India Water Tool.

ATL had done a Water Source Sustainability Study for its power generation plant, which addresses downstream impact assessment and includes a water management and conservation plan. All these identified low impacts are part of the risk management and business continuity plans. The event-driven risks, including increased severity of extreme weather events such as cyclones, hurricanes or floods, etc. are covered under the appropriate insurance policies. The scenario analysis allows the identification of operations in water-stressed areas and anticipates potential water-related conflict as well as group of stakeholders that could be involved. Activities are carried out in collaboration with the local water management authorities, State Ground Water Board and Industrial Board to adopt a shared water resources management strategy that also considers needs of local communities.

ATL's legal department assesses the implications of current and upcoming water regulatory frameworks, which monitor international, national, regional and local legal requirements that could become applicable to its operations. All the facilities carry out an analysis of compliance with environmental regulations. This enables a compliance with current regulations and monitors upcoming environmental regulations (including water-related laws) to be prepared for emerging requirements.

Water management

Our operations stretch across long distances and do not extract significant ground water at any single location. As a responsible company, we modeled short-, medium- and long-term impacts of our operations on water availability and use. Even as our water withdrawal and discharge continue to be low, we monitor our performance to ensure optimisation. In the transmission and distribution business, water is used largely for drinking, gardening and fire-fighting. At the generation units, water is used for producing steam. Water is sourced from the Kawdas pick up weir from the Dhamni dam. Seawater is channelised through a zig open route to restrict temperature rise to below 5°C. During the year under review, ATL consumed 1876.71 ML of freshwater across our businesses and operations. To showcase our seriousness, 233.75 ML of water was recycled and the company is exploring enhanced rainwater harvesting across all substations.

ATL recognises the importance of incorporating 'Responsible Management of Water resource' in business strategy and risk management approach. The Company's systematic approach towards water management strategy and water-related risk helps achieve responsible water consumption and sustainable water management practices.

In the current reporting period, ATL set a target to become 'net water neutral' and replenish more than 100% of the water use in the company-owned sub-stations under various ATL subsidiaries excluding assets under Adani Electricity Mumbai Limited, located at diversified water basins.

In line with the target, in FY 2020-21, ATL implemented rainwater harvesting structures of 128 Million litres capacity at two sub-stations in Koradi and Akola, against the cumulative water consumption at 25 sub-stations under various subsidiaries of Adani Transmission Limited excluding assets under Adani Electricity Mumbai Limited (72 Million litres). ATL understands that water recharged at one water basin will not have direct impact on withdrawal at other water basins. However, it started the water stewardship journey with the above approach. In FY 2020-21, ATL expects its rainwater harvesting structure to replenish more than 128 Million litres of water within the organisational boundary, resulting in an improvement in water quality in the watershed through aquifer recharge and offsetting more than the total amount of water consumed by its 25 sub-stations. In addition, ATL is planning to submit CDP response for water security in the next financial year.

As a part of the automation initiative, ATL intends to develop a state-of-the-art Energy Network Operations Centre (ENOC) for its transmission business where all sub-stations will be operated remotely from the ENOC through an unmanned arrangement following the deployment of various technological solutions, security and surveillance systems. The benefits of this initiative are not just limited to optimise manpower and economical operation, enhance reliability and efficiency, drive high-class operational performance as a sustainable competitive advantage; they help moderate domestic water consumption at sub-stations and will lead us to net zero water consumption at sub-stations.

Water withdrawal

ATL consumes water from diverse sources (groundwater, municipal water, surface water, purchases from third parties and seawater). ATL's freshwater consumption and total water consumption during the last three years are shown below:

Water source type	FY 2020-21	FY 2019-20	FY 2018-19
Freshwater (ML)	1,876.71	1,816.54	1,937.8
Seawater (ML)	3,77,533.8	3,77,004.15	4,09,698.9

Parameter	FY 2020-21 (ML)
Ground water consumed	25.2
Municipal water consumed	86.86
Surface water consumed	1,740.44
Water purchased from third parties	24.17
Water discharged	4.75
Total water consumed	**1,871.96**

In line with the target to reduce freshwater consumption year-on-year, ATL disclosed 'water intensity', the ratio of the total water consumed to that of revenue generated. The water intensity for the last three years is mentioned below:

Parameter	FY 2020-21	FY 2019-20	FY 2018-19
Freshwater intensity (Kilolitres/ revenue in Million rupees)	17.90	15.86	25.30

Water recycled and reused

The domestic effluent is being treated in ATL's in-house sewage treatment plants (STP) and the treated water is utilised for horticulture purposes.

Parameter	FY 2020-21	FY 2019-20	FY 2018-19
Water recycled (ML) or water reused (ML)	233.754	204.49	246.22

Effluents treatment and discharge

Seawater consumed is treated as per the regulations and returned to the sea. Industrial effluents are generated by Dahanu Thermal Power Station, treated in the in-house effluent treatment plant established and disposed as per Central Pollution Control Board (CPCB) regulations.

Rainwater harvesting

ATL sub-stations at Didwana, Mundra, Mahendragarh and Alwar are located in water-stressed zones with average annual precipitation below 700 mm and where groundwater is the only water source in the region. To supplement groundwater, we explored rainwater harvesting in three water-stressed regions. The area possesses the potential to harvest 353,077 m^3/year, which should be sufficient to address our gardening needs and recharge the groundwater table.

ATL plans rainwater harvesting across all its substations. In FY 2020-21, the total rainwater harvested by ATL and its subsidiaries accounted for 8.3 ML.

Material consumption

ATL's engineering department focuses on the improved design of transmission towers with a focus on lower consumption of material (steel, aluminium and insulators) and customised environmental and technical parameters.

Key Material Consumption	Unit	FY 2020-21	FY 2019-20	FY 2018-19
Coal	MT	17,85,028.6	19,15,624	21,66,335
Concrete (M20) and reinforced cement concrete (RCC)	Cum	1,31,593	78,053	39,257.90
Steel (tower part)	MT	1,04,503	75,840	24,060
Aluminium alloy (conductor)	MT	33,994	22,394.95	4,444.93
Steel wires (conductor and earth wire)	MT	3,728	6,051.78	1,610.13
Diesel	KL	2,042.6	1,550.65	1,065.19
Light diesel oil	KL	293.41	470.91	469.88

Waste management

We facilitate waste segregation and resource conservation through minimised waste generation. Our Integrated Management System (IMS) comprises a system for waste segregation at source and disposal as per the laws of the land. We manage waste by tracking waste-related data, including waste generation and disposal. Our waste disposal practices are aligned statutory guidelines. We ensure 100% fly ash utilisation from the thermal generation unit. We compost domestic, canteen and gardening waste (used as a fertiliser for horticulture at the Dahanu thermal generation site). We implemented 5S discipline across all substations. Our sites comply with applicable health, safety and environmental requirements to ensure that waste materials are sent for disposal in the most environment-friendly manner.

ATL makes focused efforts to practice responsible consumption of resources and circular economy in waste management to essentially convert responsibility into an opportunity for value-creation. To facilitate proper waste segregation and resource conservation, ATL has included a system in its Integrated Management System (IMS) for waste segregation at source and disposal as per the laws of the land.

ATL set a target to achieve zero waste to landfill (ZWL) across all sites by FY 2024-25. In line with the target, the organisation collects and utilises 100% of the fly ash produced in its generating station. 100% of electrical waste during the time of set-up gets recycled as per the industry best-practices. In the last reporting period, 99% of the wastes generated from ATL's operations were diverted from landfills. To achieve 100% conformance with the ZWL target, ATL conducted an internal gap assessment to identify and implement measures. The performance of this will be reported in this financial year. In addition, the quantity of hazardous waste generated decreased significantly.

In alignment with the UNSDG 12, we focus on consuming water resources efficiently and reducing our freshwater consumption by recycling and reusing as much water as possible. We have been installing rainwater harvesting systems intending to replenish 100% of the freshwater water consumed and achieve water neutrality. In addition, we emphasise the responsible consumption of material resources and proper waste management. We set a target to achieve 'Zero Waste to Landfill' by 2025 and in the reporting year, we were able to divert around 91.33% of the total waste generated from ATL's operations while 99.87% of the waste generated only from the ADTPS's operations was diverted from the landfill, validated and certified by Bureau Veritas India. Around 8.6% of the ATL's operating locations are certified as SUP-free by the Confederation of Indian Industry (CII) during the reporting period. Also, ADTPS, our thermal generation unit, was certified as SUP-free by Bureau Veritas India.

ATL has set a target to become a single use plastic-free company. In line with the target, ATL conducted SUP-free certification for its three sub-stations on a pilot basis in the current reporting period.

Waste generation and disposal

Waste generated	FY 2020-21*	Type	Method of Disposal
Hazardous waste	165.9 MT	▪ Oil drums ▪ Used transformer oil ▪ Used/spent oil ▪ Waste/residue ▪ Containing oil MS barrel ▪ Waste resin ▪ Used cotton waste ▪ Empty contaminated drums	Authorised recycler and re-processor
Non-hazardous waste	16,275 MT	▪ Insulator scrap ▪ Wood scrap ▪ Steel scrap (tower materials) ▪ Aluminium scrap (conductors) ▪ GI scrap ▪ Aluminium scrap (others) ▪ Scrap rubber ▪ Scrap copper ▪ Scrap corroded APH basket ▪ Saw dust ▪ MS scrap ▪ Reinforcement steel	Sale and auction
E-waste	157 MT		Recycler
Disposed batteries	27.66 MT		Authorised vendors
Plastic waste	25.48 MT		Authorised dealer

The company engaged with suppliers to use steel (instead of wood) drums for conductor rolling and supply oil by tankers instead of oil drums.

* Scope and boundary has increased in FY 2020-21; all wastes in numbers, volumes are also converted to their respective weights in the reporting year

Protect ecological services

Land use: To minimise societal impact, we apply the Right of Way (RoW) approach in our transmission and distribution line, which does not warrant land acquisition. For setting up substations, we purchase land on a 'willing buyer, willing-seller' basis by compensating owners. Conventional substations with Air Insulation Switchgear (AIS) require large space, for which we invested in compacted Gas Insulated Switchgears (GIS) substations wherever possible.

Compact modular designs make it possible for substations to occupy ~10% of a conventional air insulation substation. Transmission lines can extend across 1,000 km; on the field, transmission line towers and support structures can affect agricultural land and increase weed spread. In protected areas, the forest area under a new transmission line is removed from providing ecological services. Permanent nature impacts are seen in new tower locations and border zones of line clearing. Our projects and operations may affect local natural habitats and dependent communities. We follow principles of avoidance, minimisation and mitigation in environment management and biodiversity. We collaborate with local community groups, academia and environmental experts to protect and restore natural habitats. We avoid sensitive zones, protected areas and natural habitats to the extent possible when planning new transmission line routes. We preserve nature identified at the planning stage during line construction.

ATL recognises its role in helping arrest the global decline in biodiversity. As part of its responsible approach, ATL builds partnerships and works constructively with stakeholders; it assesses impacts on key biodiversity issues and makes decisions that take account of these impacts. ATL strengthened its commitment of being a responsible corporate citizen in the field of biodiversity by adopting a dedicated Biodiversity Policy and becoming a signatory to IBBI. As per the policy, ATL intends to become 'net positive' in terms of biodiversity.

In the current reporting period, an internal expert team assessed ATL's impact on biodiversity for key substations. The result of the study indicated that there were no significant impacts on biodiversity in those areas. The company is currently working towards assessing and mapping biodiversity at its operating sites through third party experts, to determine the level of biodiversity in the area and to identify the potential impacts of ATL's operations. The mapping and assessment of biodiversity at ATL's locations is expected to be completed by FY 2021-22.

ATL interacts with the environment in number of ways and its business is intricately linked with the ecosystem around which it operates, including the forests, grasslands, and mangroves. The organisation makes concerted efforts to ensure a minimal impact on the environment, generating the lowest harm to biodiversity through its operations. ATL follows principles of avoidance, minimisation and mitigation in addressing the environment and biodiversity. It focuses on avoiding ecologically sensitive zones for transmission line routes, minimising its biodiversity impact by reducing energy use and restoring habitats.

ATL's highlights, 2020-21

• 765 kV Fatehgarh-Bhadla transmission line, Rajasthan was passing through the Great Indian Bustard (GIB) arc; GIB is declared as a critical endangered category under the International Union for Conservation of Nature (IUCN) and Schedule-1 species under the Wildlife Protection Act, 1972. ATL has re-routed the line in consultation with forest authorities, which led to an increase in route length by 50%.

• ATL has about 18,801 ckt km of transmission lines under execution and operation. Following the basic principle of avoidance and minimisation, forest land requirement is kept to a bare minimum, which is around 2% of the total land involved.

• As per statutory requirement of the Ministry of Environment, Forest and Climate Change (MoEFCC), to compensate for the loss of diverted forest land for its ongoing and operational assets, ATL paid ₹31.38 Crore in FY 2020-21.

• ATL contributed towards compensatory afforestation over an area of 289.04 hectares for implementation by State Forest Department Compensatory Afforestation in FY 2020-21.

This led to an increase in forest cover.

Plantation drive: The Company engages in enhancing green cover in non-electrical areas of sub stations and increasing green cover around transmission lines.

Mangroves plantation

2,31,64,476

Other plants (fruits and ornamental)

13,02,913

KNOWLEDGE CAPITAL

How we have built a robust people platform for sustainable growth

Our goal

To strengthen the company through a joyous environment

Our platforms

- Joyousness
- Adequacy
- Competence mix
- Retention
- Engagement
- Training
- Policies
- Processes
- Technology
- Safety

Overview

At ATL, our segments (transmission and distribution) are at an inflection point and likely to translate into attractive growth across the coming decade. This reality is putting a premium on people recruitment and retention. The Company outlined a target to retain its position as the largest private sector transmission and distribution companies in India across the decade even as its business size expands significantly, putting a premium on the need to align the organisation – across locations, functions and tiers – around this priority. The Company outlined initiatives to build the right culture, recruit select talent, build capacity and capabilities for critical positions and balance experience with enthusiasm. The Company created an enabling environment for nurturing talent in line with its desired direction, growth appetite, milestone requirements, need-gap analysis and a people competence platform to be growth-ready.

Our approach

ATL responded to the challenge of enhancing the organisation's opportunity-preparedness through an overarching objective to strengthen ATL as a joyous place to work.

The company leveraged the strong Adani Group pedigree for business excellence, culture and technology enablers across every initiative, function and engagement.

It leveraged a flat organisation structure with increased span of control, strengthening employee responsiveness.

It optimally designed unique job positions, which ensured that every function was competently mapped for focus, output and effectiveness.

It enunciated detailed job descriptions for each job position supported by Key Result Areas and Key Performance Indicators for each, enhancing positional clarity and outcome.

It complemented performance and competence valuation with talent acquisition and evaluation, ensuring that the existing competence mix was periodically refreshed.

It mitigated talent risk and built senior talent capabilities.

The senior talent experiences various assessments and 360 development initiatives for current and future organisation needs.

It extended a gap analysis of competence needs and availability with initiatives in talent management, learning and organisation development, succession planning and employee engagement, ensuring an ongoing benchmarking with external developments.

At ATL, we believe that this approach has been structured to generate long-term value for stakeholders.

Our learnings, FY 2020-21

- The Company encountered a number of precious learnings in a pandemic-marked FY 2020-21.
- The Company leveraged the use of virtual collaboration tools across different locations, dispensing with the conventional practice of face-to-face engagement.
- The Company introduced an objective and scientific assessment in talent hiring and promotions, enhancing candidate insights
- The Company demonstrated that emotional engagements with employees during challenging times (as during COVID-19) strengthened bonds
- The Company leveraged technology literacy, emerging as integral to organisational growth
- The Company emphasised employee openness to change, strengthening responsiveness and flexibility

Our recruitment and retention

The Company recruited prospects on the basis of a scientific analysis of their capabilities. The result of this stringent filter was a 17% selection rate for entry level.

The Company focused on the selection of the right individual matched to the right job profile, a precise fitment that translated into job satisfaction and engagement.

The Company grew managers and business leaders from within; the positions that they vacated were plugged with selective recruitments.

The Company reinforced its image as an equal opportunity employer that does not discriminate based on gender, race, caste, religion and other such factors.

The Company invested in workforce diversity in accordance with the Sustainable Development Goals (SDGs) agreed upon and adopted by all United Nations member states in 2015. It strengthened gender through opportunities for women; its workforce showcases diversity of age, language and culture, strengthening our culture. During the reporting period, ATL hired 179 new talents. The contextual average exclusive Adani experience of employees was approximately 15.5 years and their average age was approximately 44 years.

ATL believes in attracting and nurturing young talent, owing to which 13% of the total recruitment was filled by Graduate Engineering Trainees through campus hiring.

All employees and staff of ATL are trained in the Human Rights Policy at the time of induction.

Awareness sessions on human rights and associated laws, along with workshops that include awareness on the reporting of human rights violation, are organised periodically by utilising the company's grievance redressal mechanism. In addition, all women employees of ATL are trained by the POSH committee on the rules and reporting process of Prevention of Sexual Harassment (POSH) act at the workplace. The company mandated that all employees complete their training on HR-related policies and POSH; the same is supported through a digital platform and online training modules through e-Vidyalaya. Behavioural training is conducted for the entire workforce each year, which includes topics on practicing ethics, integrity, human rights, anti-corruption and ethical standards etc.

Employee hiring profile

Number of recruiters	FY 2018-19		FY 2019-20		FY 2020-21	
	Male	Female	Male	Female	Male	Female
<30 years	34	6	77	1	141	3
30-50 years	38	0	75	8	27	0
>50 years	6	0	5	0	8	0

Our retention focus

The company retained the spirit where leaders were created and promoted from within.

It engaged in management-employee engagements, which facilitated ground-level understanding

Retention rate %

Year	FY 2018-19	FY 2019-20	FY 2020-21
Total	97.83%	97.14%	94.87%

Diversity and inclusivity

ATL is committed to promote talent diversity and inclusion. It believes that a diverse workforce comprising individuals of varying gender, religion, race, ethnicity, and education enriches the workplace through perspectives, innovation, performance and profits.

We provide suitable amenities for the disabled, including a wheelchair-accessible workplace and customised washrooms. ATL's Code of Conduct promotes equal opportunities beyond gender diversity and under no circumstances practices any form of discrimination in the workplace on grounds of age, race, gender, religion, political opinion, nationality, sexual orientation, social background or disability. ATL is equally opportunity provider without any discrimination between male and female. Owing to nature of field work, there are less women are on the shop-floor. So, we are taking initiative to train them employable in our or other company.

Employee strength and age-wise distribution at ATL

Year	FY 2018-19	FY 2019-20	FY 2020-21
<30 years	2,945	2,524	2,101
30-50 years	4,078	4,138	3,966
>50 years	5,561	5,718	5,855

ATL actively promotes equal treatment and opportunities between men and women. In FY 2020-21, 4.50% of the total workforce at ATL were women, 5.24% of whom held senior management positions and 10.03% were engaged in junior management positions.

Percentage of women in workforce	FY 2019-20	FY 2020-21
Female share of total workforce	4.98%	4.50%
Females in all management positions, including junior, middle and senior management	10.76%	9.13%
Junior management positions	12.77%	10.03%
Senior management positions	9.81%	5.24%

The median compensation of the total workforce, excluding the highest-paid individual, was ₹9,62,556. The ratio between the total annual compensation of the highest-paid individual of the organisation and the median total compensation of the entire workforce (excluding the highest paid individual) was 82.07 times.

Further, various ESG performance indicators like safety indicators and CSR-related indicators etc. are a part of the individual KRAs.

Our training and development

The Company deepened its commitment to renew competencies through intensive training across various disciplines (HSE, field safety audit, cross safety audit, Suraksha Samvaad, mock drills and safety meetings). It identified the learning needs of our people across functional, technical, behavioural and IT programmes. It linked target roles of all employees and identify competencies to address the target role need. All competency gaps were addressed by self-learning, on-the-job learning, stretch assignments, self-paced online training programs and virtual classroom programs. It defined a competence framework; it engaged global consultants to strengthen managerial, functional and leadership competencies through customised Management Development Programme focusing on communication skills, successful habits, finance for non-finance employees, competence-based interviewing skills and others. Besides, the Company trained in specific skills comprising technical aspects including construction and O&M of power plants, transmission lines substations and distribution, among others. It invested in technology inclusion, creating technology readiness, creating technology literacy and knowhow and critical technology skill development

All ATL employees and staff were trained on Human Rights Policy at the time of induction. Awareness sessions on human rights and associated laws, along with workshops that include awareness on reporting human rights violation, were organised periodically by utilising the grievance redressal mechanism. In addition, all female employees were trained by the POSH committee on the rules and reporting process of Prevention of Sexual Harassment (POSH) at the workplace.

ATL laid an emphasis on functional and behavioral training for employees and contract workers, ensuring post-training efficacy in project management. Behavioral training was conducted for the entire workforce each year, which included topics on ethics, integrity, human rights, anti-corruption, ethical standards etc. ATL conducted 11,528 training programs across functions and hierarchies, covering 100% of the workforce during the reporting period. A total of 1,73,306 person-hours were spent on behavioral and functional training.

Training details

Particulars		FY 2020-21				FY 2019-20				FY 2018-19			
		Technical training		Behavioral training		Technical training		Behavioral training		Technical training		Behavioral training	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Senior Management	Unique number of learners	302	13	282	14	311	14	255	9	157	3	134	3
	Total person days of training	1,984	50	657	19	1,230	34	404	100	762	4	317	3
	Average person days of training	7	4	2	1	4	2	2	11	5	1	2	1
Middle Management	Unique number of learners	944	124	907	105	811	87	446	59	484	41	287	34
	Total person days of training	2,800	398	2,936	260	2,136	212	768	80	2,509	94	685	46
	Average person days of training	3	3	3	2	3	2	2	1	5	2	2	1
Junior Management	Unique number of learners	504	64	540	67	391	44	434	24	337	22	358	18
	Total person days of training	2,527	153	1,297	124	2,085	60	1,606	27	1,932	42	1,001	27
	Average person days of training	5	2	2	2	5	1	4	1	6	2	3	1
Supervisory Management (Non-Executives)	Unique number of learners	254	29	229	21	580	45	240	9	697	17	227	28
	Total person days of training	1,216	71	360	24	1,464	61	423	25	2,442	41	519	43
	Average person days of training	5	2	2	1	3	1	2	3	4	2	2	2
Trainees	Unique number of learners	73	1	55	0	27	6	0	0	25	23	0	2
	Total person days of training	5,992	220	125	0	3,660	546	0	0	1,947	962	0	0
	Average person days of training	82	220	2	NA	136	91	NA	NA	78	42	NA	0
Contractual Workers (FTA/ Consultant/ Advisory/ Services)	Unique number of learners	2,701	171	6	0	760	0	1,223	121	62	0	1	0
	Total person days of training	414	27	7	0	620	0	548	48	82	0	2	0
	Average person days of training	0	0	1	NA	1	NA	0	0	1	NA	2	NA
Total	Unique number of learners	4,778	402	2,019	207	2,880	196	2,598	222	1762	106	1,007	85
	Total person days of training	14,932	919	5,383	428	11,194	912	3,749	278	9,674	1,143	2,523	119
	Average person days of training	3	2	3	2	4	5	1	1	5	11	3	1

In addition to in-house training, ATL ensured employee development through external training and education. In the reporting period, ATL spent ₹13.5 Lakh to upgrade employee skills through external programs such as Northstar Executive MBA Program, Coursera Digital Learning, CII Carbon footprint certification course, Quality Circle training, EOT crane training, cost reduction etc. As a part of SA8000, in-house training was conducted for all employees, covering various aspects of human rights.

Key Development Programmes conducted in FY 2020-21

Six Sigma green belt and black belt certification program	Long duration data science programs	Northstar Executive MBA programme	CII certification to one employee on carbon footprint; ISPS compliance
Quality Circle training	ISO BcMS 27031 internal auditor certification program for 27 employees	EOT Crane training through external experts	Business Excellence and ABCF
Short-term certification course on CEA overview	Awareness sessions on Vision, Mission, Values & Safety	Adani Group-level RCFA Program in Safety, CSM and SRFA	Development of working models and AR VR Models for virtual and effective training

Our employee engagement

The Company engaged with employees through structured platforms. It conceptualised and implemented multiple employee engagement initiatives to reinforce its work environment. The Company strengthened its business excellence journey that inspired teams to perform better. It conducted quarterly Town Halls (Let's Connect), employee get-togethers, Annual Day and other programs. It strengthened a culture of meritocracy, creating high performing individuals and teams with adequate succession planning. ATL celebrated festivals and offered lifestyle management programs. It conducted an employee engagement survey once in two years based on the Global Standards of Q12 suggested by Gallup. Some 87% employees responded to the survey and reported an average score of more than 4 (scale of 1 to 5) on their engagement with the company. The score surpassed 63 percentile in its benchmarking with other companies and the company reported an Engage-Disengage Ratio higher than the global benchmark. The Company's Employee Spot Recognition Scheme and Long Service Awards enhanced emotional ownership. The company initiated a unique 'Inspire' series for employees and family members, where motivational speakers spoke, which helped employees and family members cope with the COVID-19 pandemic.

Employee welfare

Employee welfare empowers ATL to build an efficient, healthy, loyal and satisfied workforce. The Company responded with the following schemes to enhance welfare:

Life insurance: All regular employees are covered under the Group's Term Life Insurance plan

Health care: All executives are covered under a Mediclaim policy; non-executives are covered by a hospitalisation scheme

Disability and invalidity coverage: All employees are covered by a GPA policy

Retirement provision: All employees are members of Provident Fund and Gratuity schemes

All employees are entitled to parental leave.

Protecting human rights

ATL remains committed to support and practice high standards of labour conditions and human rights across all operations while conducting business responsibly and with integrity. ATL's Human Rights policy and Code of Conduct are based on the framework of the International Bill of Human Rights and the International Labour Organisation's Declaration of Fundamental Principles and Rights at Work. To ensure strict adherence and respect for human rights, issues have been addressed in the Corporate Sustainability Policy, while implementation is taken care of by the CSR and Sustainability Committee of the Board. ADTPS and ATL (excluding AEML) are certified by the social accountability standard SA8000. All other ATL entities are in the process of implementing systems and procedures according to SA8000 certification requirements.

Communication and training for employees

ATL is committed to implement the highest standards of human rights. Human rights clauses are a part of the employee code of conduct and employee offer letters in addition to being communicated through company e-mails and notices. All employees are trained in the Human Rights Policy at the time of induction. Awareness sessions on human rights and associated laws, along with workshops that include awareness on reporting human rights violations, are organised periodically. All women employees are trained by a committee on the rules and reporting process of Prevention of Sexual Harassment (POSH) at the workplace.

Human Rights risk assessment

As a part of the Social Accountability Standard certification pursued by ATL, annual internal audits and continuous workplace monitoring activities ensure a strict adherence to policies, identify violations and take necessary action.

In the Dahanu Thermal Power Station, in accordance with the SA8000 certification, periodic Social Accountability Risk Assessment to identify and prioritise the area of actual or potential non-conformance to the standard needs to be conducted. The comprehensive list of human rights risks assessed are as follows:

- Engagement of child labour
- Engagement of child labour by suppliers and sub-contractors
- Engagement of forced labour
- Non-compliance of EHS guideline
- Corporal punishment, mental or physical coercion or verbal abuse of personnel
- Exceeding working hours
- Working without a weekly day of rest
- Lower payment of wages
- Overtime wages not paid at a premium rate
- Discrimination in the workplace

Currently, this risk assessment process is only conducted by Dahanu Thermal Power Station and will be adopted by the other entities as a part of the certification pursuance.

Child rights

ATL established a procedure to ensure that no child or adolescent labour was employed in its operations (in compliance with SA8000 requirements and corporate policy). During employment, all candidate age proof is checked before onboarding. No violation of child rights was reported during the current reporting period. However, in the unlikely event that a person classified as a 'child' does get employed, the organisation will take complete responsibility and remedial action to enable that such children attend or remain in school.

ATL established a Grievance Redressal Mechanism, which enables all employees to report human rights violations. The engineers on site are responsible for the allocation of the day-to-day responsibilities and employees are trained in the Grievance Redressal Mechanism reporting procedure. No human rights violations were recorded in the current reporting period.

Working hours and remuneration

ATL provides fair wages and compensation to all employees as per the legal and industry standards covering the basic needs of workers and their families to maintain a reasonable standard of living. The minimum wage paid by ATL is above the legally mandated minimum wage and nearer the living wage. The organisation adheres to its remuneration policy and amends it as and when required. ATL addresses concerns, if any, through dialogue and collective bargaining.

ATL practices the norm regarding industry standard working hours for all employees and contract workers as per regulations. To ensure a strict compliance with working hours, the organisation supports the use of ATL's attendance system, which applies to all employee categories.

As ATL is categorised as an essential service, it received an exemption from Director of Industrial Health and Safety for overtime hours in one of the working quarters of Adani Electricity Mumbai Limited. The overtime hours will not exceed the limit set by regulators. In the event of any emergency necessitating an employee to work additional hours, the organisation ensures that it does not exceed the stipulated hours under the specified Act. The organisation remunerates employees as per the provision of Maharashtra Factories Rule 1963 if required to work additional hours.

Our safety focus

ATL is an ISO 45001-certified company with a strong safety record supported by objectives towards achieving of 'No Fatality, No Injuries and No Excuses'. The primary safety risks arise from working at high voltage substations and construction sites. The Company conducts an in-depth review of each serious safety incident to explore reasons and avoidance. The Company mandates sub-contractors to fulfill safety requirements, developing technology options to monitor compliance. During the year under review, the Company recorded 25 lost-time incidents and zero fatal incident, which were comprehensively investigated for causes and root causes. Based on the findings, various actions were implemented within the Company and Adani Group. The Company deepened its safety orientation through Safe Patrika (newsletter), Safe Diary (ready reckoner on LSSR rules, ISO standards etc.), Safe Eye (induction for recruits), Safe Connect (periodic corporate conference call to share safety practices), Safe Alert (Health, Safety and Environment alerts) and Safe Library (online content library). Besides, the Company conducted periodic safety audits of under-construction and operational sites.

Safety for our community

Safety Culture is a concept conceived by Mr. Anil Sardana, Managing Director & CEO of ATL and Safety Group Service Head. The concept is aimed at developing and driving programmes on safety to inculcate mass awareness on various community safety themes wherever the company operates. Various programmes conducted comprised the following:

- Safety Symposium & Exhibition in 2020 through CII
- Road Safety Week 2021 celebration and awareness drive
- National Safety Week 2021 celebration and awareness drive

ATL adopted S+5S to create a safety and cleanliness awareness for the younger generation. In India, the maximum fatalities happen due to road accidents, seconded by accidents due to electricity. To reduce fatalities and accidents due to electricity, a comprehensive safety behavior has been emphasised.

Occupational health and Safety management

To ensure high standards of Occupational Health and Safety performance, ATL implemented the ISO 45001:2018-certified Safety Management System across projects and O&M function as a part of its Integrated Management System to manage hazards, risks and emergencies. Policies and procedures adopted and established by ATL, which govern the organisation's health and safety practices, comprise the following:

- Safety Code of Conduct
- Corporate Sustainability Policy
- Organisation Health and Safety Policy

The CSR and Sustainability Committee of the Board oversee the Occupational Health and Safety performance as a part of the Sustainability policy to monitor the effectiveness of the management system execution and provide data assurance.

OHS Management System		
Percentage of sites with ISO 45001		100%
Employees and contract workers covered by management system	Number	65,059 (employees on roll and off roll)
	Percentage	100%
Employees and contract workers internally audited	Number	65,059 (employees both on roll and off roll)
	Percentage	100%

Safety standard rules and procedures

Function	Existing SOPs	New SOPs developed	Modification in SOPs
Substation	109	03	03
Line	42	03	07
Project	13	02	01

Incident reporting and investigation

ATL adopted a group-wide Adani Safety Standard for Incident Reporting and Investigation to examine safety incidents and draw from incidents to prevent recurrence. The Safety Incident Reporting, Classification and Investigation Standard set the mandatory minimum safety requirements and are now upheld as Life Saving Safety Rules. The incident investigation process contributes to the continuous improvement of safety systems and performance through the following:

- Identifying and implementing actions to prevent incident recurrence
- Promoting an atmosphere of openness by improving communications and understanding about the incident
- Providing input to the development and improvement of Safety policies, procedures, guidelines, and standards
- Identifying and appreciating good actions taken by people, which contributed to reducing the consequence

Under the safety standard, incidents are classified into five categories based on the degree of severity/potential for injury/damage. Each category defined incident reporting and investigation procedure. All incidents reported are categorised and appropriate detailed investigation carried out by an experienced cross-functional team.

The OHS committee of each site provides training to site supervisors and relevant employees on incident response and reporting as per the safety standard.

General incident reporting and investigation flow

- Initial response by site supervisors
- First Information Report (FIR)
- Reporting into group safety tool
- Determining key factors, systems that need to be improved
- Forming investigation team
- Circulation of alerts
- Recommending corrective and preventive actions
- Documentation of finding and communication of learning
- Establishing a follow-up system

During the current reporting period, ATL recorded 25 lost-time incidents and zero fatality incident. All reported incidents were investigated as per the procedure outlined by the Incident Reporting and Investigation Safety Standard of the group and the immediate cause and root cause were identified and studied. Based on the incident investigation findings various corrective and preventive actions were implemented. During the current reporting period, the following incident response investigations were carried out:

- Establishing SOPs for halting tower erection
- Electric connections through 30mA ELCB
- Old generation Hydra equipment was banned for use
- 360-degree swivel coupling between tractor and trolley
- Use of the FRP ladder across all sub-stations.

OHS risk assessment

ATL employs a HIRA-based risk assessment methodology and a safety checklist to assess safety parameters of its operations. The organisation conducts regular risk assessment audits across operational and construction sites. The HIRA-based risk assessment methodology and checklist are employed as part of the OHS due diligence for acquiring assets.

Contractor safety management

Safety Risk Field Audit (SRFA): Some 1,224 Safety Risk Field Audits were conducted to evaluate the business partner performance and taking remedial actions. Nine Contractor Safety Management Meetings were organised to review, monitor KPIs and explore the implementation of standard requirements.

Vulnerable safety risk (VSR) analysis: Adani Groupwide risk analysis was carried out to identify vulnerable risk / unsafe conditions exist which could have potential of severity 4/5 incidents. Some 79 vulnerable risks were identified by ATL O&M and project sites.

Safety culture

To institute a mature safety culture, ATL endeavors to maximise employee involvement that encourages them to voice concerns, report safety gaps and seek improvement. In line with this, the OHS committees of ATL's operations practice a bottom-approach with equal employee representation. Each OHS committee constitutes a labour union representative, site safety representative, site health team representative and management representative. The OHS meetings are conducted monthly. Contractor participation is ensured at site-level contractor safety committee meetings. ATL established a Contractor Safety Management Task Force for the improvement of contractor safety and work culture.

All ATL employees are trained in Occupational Health and Safety at the time of induction and on a regular basis. Employees are trained to identify the near-miss, unsafe conditions, unsafe acts and report workplace injuries. During the current reporting period, ATL conducted 22,954 person-hours of safety training.

OHS training	FY 2020-21
Total hours of safety training by safety team	1,86,149
Per person safety training hours	15.6

During the current reporting period, ATL conducted more than 3,858 Safety Interactions. ATL ensured workforce participation in the Health and Safety-related topic discussions through activities such as Safe Connect (monthly conference call on safety), Safe Eye (Monthly safety observation quiz) and mock drills.

Safety targets and performance

ATL adopted a group-wide year-on-year safety target to achieve zero incidents in operations. Against this target, ATL witnessed 25 lost-time incidents and zero fatality incidents. ATL recorded a Lost Time Injury Frequency Rate (LTIFR) of 0.59 per Million hours worked during the year under review. The LTIFR decreased 58% when compared to the previous financial year.

Safety performance

Parameter	UOM	FY 2020-21
LTIFR	Numbers/Million person hours	0.59
Lost days rate for reportable injuries	Numbers/Million person hours	15.48
Rate of recordable work-related injury for employees - on ATL rolls	Numbers/Million person hours	0
Rate of recordable work-related injuries	Numbers/Million person hours	0.33

Parameter	UOM	FY 2020-21
Rate of high consequence work-related injuries for employees - on ATL rolls	Numbers/Million person hours	0
Rate of high consequence work related injuries	Numbers/Million person hours	0
Rate of fatalities due to injuries	Numbers/Million person hours	0
Rate of fatalities due to injuries	Numbers/Million person hours	0
Rate of recordable work-related illness for employees - on ATL rolls	Numbers/Million person hours	0
Rate of recordable work-related illness	Numbers/Million person hours	0
Rate of high consequence work-related illness for employees on ATL rolls	Numbers/Million person hours	0
Rate of high consequence work- related Illness	Numbers/Million person hours	0
Rate of fatalities due to occupational illness	Numbers/Million person hours	0
Rate of fatalities occupational Illness	Numbers/Million person hours	0

Parameter	UOM	FY 2020-21
Lost time incidents (as per The Factories Act in India)	Numbers	25
Lost days for reportable injuries	Numbers	652
Recordable work-related injury (Employees on ATL rolls)	Numbers	0
Recordable work-related injury (Contractors not on ATL rolls)	Numbers	14
High consequence work related injury (Employees on ATL rolls)	Numbers	0
High consequence work-related injury (Contractors not on ATL roll)	Numbers	0
Fatalities due to injury (employees on ATL rolls)	Numbers	0
Fatalities due to injury (contractors not on ATL rolls)	Numbers	0
Recordable work-related illness (Employees on ATL rolls)	Numbers	0
Recordable work-related illness (contractors not on ATL rolls)	Numbers	0
High consequence work-related Illness (employees on ATL rolls)	Numbers	0
High consequence work-related Illness(contractors not on ATL rolls)	Numbers	0
Fatalities due to occupational illness (employees on ATL rolls)	Numbers	0
Fatalities due to occupational illness (contractors not on ATL rolls)	Numbers	0

Our principles

We remain committed to upholding human rights. We track violations and address grievances. Our approach includes adherence to corporate business policies and compliance with applicable laws, including internationally recognised human rights, as set out in the International Bill of Human Rights and the International Labour Organisation's Declaration of Fundamental Principles and Rights at Work. We organise periodic awareness sessions on human rights and applicable laws, along with workshops that include awareness on reporting human rights violation, human resource function and line management function. To date, no human rights violation cases were reported by employees or associates working with us.

The Company instituted a talent management framework for the transmission business segment, comprising the identification of critical positions, successors to critical positions and high potential people. All critical positions were plugged with competent talent supported by successors. A multi-layered learning and development program facilitated timely responsibility ownership among successors.

Other policies

The company invested in employee-friendly policies that extended beyond the compliance requirements of Indian labour laws as well as aim to achieve global standards (ILO-recommended best practices). The company extended maternity benefits to employee spouses, a formal Relocation Policy, Paternity Leave Policy, Domestic Travel Policy, Loan Policy, Employee Death Relief Policy and Insurance.

Saraswati Samman

ATL recognised the academic and sporting outperformance of employees' children through scholarships and an opportunity to showcase their competence at an event across major locations. Some 43 children who scored 90% or above in standard 1 to 12 or ranked in the top three in any sport at the state, national or international levels were rewarded.

Competency framework

Competencies	Competency dimension
Strategic orientation	Visionary outlook
	Business acumen
	Focus on sustainability
Entrepreneurial mindset	Seizing opportunity
	Resilience
Stakeholder partnering	Value creation while leveraging networks
	Customer centricity
Outcome orientation	Effective execution and operational excellence
	Risk-reward management
	Ownership and accountability
Transformation mindset	Learning agility
	Embracing change
Innovation focus	Unlocking technology potential
	Building an agile organisation
Team orientation	Teamwork and collaboration
	Conflict management
Employee development	Employee development
	Driving a high-performance culture

Special Training Programmes

Name of the programme	Developed in association with	Type of training
Takshashila	ISB Hyderabad	Leadership development interventions for CXO level
North Star	Emeritus Business University	Leadership development intervention for senior and middle management.
Nalanda	HCMHRD-Pune	Functional competency enhancement programme
EPM	Adani Institute of Infrastructure Management (AIIM)	Certification programme in general management (4)
Leadership Development Programme	Birla Institute of Management Technology (BIMTECH)	Leadership development MDP

Mass Training Programmes

Name of the programme	Developed in association with	Type of training
Digital Transformation: Readiness (Energy)	Percipio/Skillport	Technology
Onlone programs on behaviour & technology	Percipio/Skillport	Behaviour/Technology
Finance for Non Finance	Adani Virtual Academy	Financial acumen
Essential Habits for being successful at work	Bright Business Consultancy	Selfhelp/Behavioural
Persuasive conversation skills	Dale Carnegi	Communication/Behavioural
Competency based interviewing skills	P3 HR Solution	Behavioural
Business Excellence - 101	Internal expert trainer	Business Excellence
Art of Giving Feedback For Manager	Potential Consultancy	Performance Feedback/ Behavioural

Key policies applicable to both our employees and contract workforce

Name of Policy	Applicability of Policy on	
	Employee	Contractual
Code of Conduct for Employees	Yes	Yes
Sexual Harassment of Women	Yes	Yes
Human Rights	Yes	Yes
Whistle blower	Yes	Yes
Employee Volunteering	Yes	Yes
Employee Health Check Up	Yes	Yes
Group Guidelines on Gratuity	Yes	Yes
Employee Spot Recognition Scheme	Yes	Yes
Leave Policy	Yes	Yes
Local Conveyance	Yes	Yes
Group Telecom Policy	Yes	Yes

Value delivered in FY 2020-21

3.77
Total Person-days of training provided (per employee)

179
Number of recruits

11,528
Training courses offered

1,73,306
Person-hours of training (technical & behavioral)

1,86,149
Person-hours of safety training

100
% Employees trained

15.5
Average experience of employees with ATL (years)

44
Average employee age

985
₹ Crore, total employee remuneration paid

CORPORATE SOCIAL RESPONSIBILITY

How we are helping create an inclusive society

Overview

For over two decades, Adani Transmission (through Adani Foundation) has contributed to the holistic development of underprivileged communities. It has been able to reconcile the interests of people, planet and prosperity. The Foundation touches 3.67 Million people from 2,410 villages across 18 states in India.

Adani Foundation provides education, empowers the youth with income-generating skills, generates alternative livelihoods (agriculture and animal husbandry). In doing so, Adani Foundation helps create a healthy society for millions.

In March 2020, the outbreak of coronavirus marked the beginning of an unprecedented period. While India took decisive steps to contain, test and treat COVID-19 in a proactive manner, Adani Foundation aligned its foot soldiers around the need of the hour. As the situation continues to evolve, its CSR activities are pivoting everyday processes, building response mechanisms and helping build a resilient and inclusive society. Adani Transmission Ltd. engaged in CSR activities through Adani Foundation in FY 2020-21.

1. Education

Adani Foundation designs and implements transformative programs for all communities in its areas of presence and influence. In this regard, the Company and Adani Foundation view education as the major driver of sustainable and holistic development. The Foundation's resolve to make quality education available and affordable to as many children as possible has taken the form of several cost-free and subsidised schools across India. Many 'smart' learning programs and projects to adopt government schools have been implemented in remote areas to realise potential. The Company aids anganwadis by creating a fun-filled environment for children. The replicability and scalability of these educational models are ensuring that more children move towards a bright future.

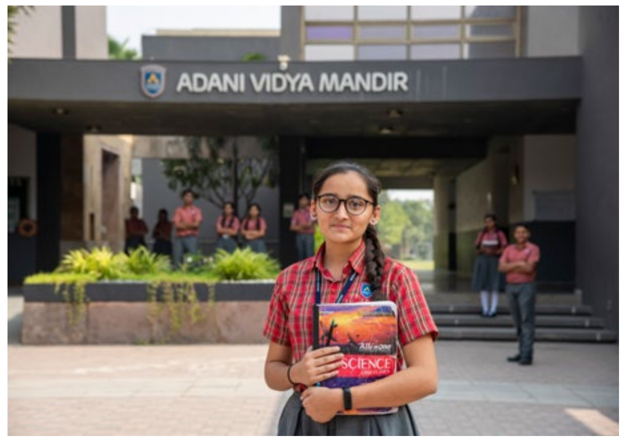
1.1 e-Learning Package Distribution (Gyan Jyoti, support to School, AW): This programme is ongoing in 126 government schools of Tiroda Block, Gondia district, since 2016-17, bringing sustainable digital education to the marginalised. E-Learning kit packages have been installed in schools (computer, projector, speakers, UPS and updated syllabus material). While the schools were closed in FY 2020-21 due to COVID-19, the e-Learning Kit syllabus proved handy to fill in with regular online teaching. School teachers from clusters used the updated syllabus to engage with students, effectively explaining difficult concepts.

1.2 Coaching classes for Jawahar Navodaya Vidyalaya (JNV) entrance examination: Adani Foundation runs 17 Navodaya Coaching Centers for marginalised but talented students from areas around Tiroda, Kawai and Raipur locations. Those who clear the entrance exams go on to study at Jawahar Navodaya Vidyalaya, which provides quality education in an environment conducive to learning. The selected students emerge as an inspiration to their village. Some 149 students enrolled at these centers in FY 2020-21. Due to COVID-19-induced restrictions, all schools and classes were closed; Adani Foundation initiated the online Navodaya coaching classes. The Foundation teams prepared training videos and worksheets and provided notebooks, pens and question banks. Weekly follow-up sessions and mock-tests were conducted. Teachers held one-on-one interactive sessions to address queries and provide psycho-social support.

1.3 DISHA: Career counselling, capacity building and scholarship: Adani Foundation provides scholarships to meritorious students to encourage them to continue studies in spite of socio-economic challenges. In five villages of Tiroda block, a scholarship of ₹6,000 was granted to students of standards 11 and 12 who scored the highest in the SSC examination. In FY 2020-21, 80 students received this scholarship, including 40 top ranking students (eight from each village) for ongoing year and 40 students from the previous year. The scholarships helped students purchase books, stationery and access extra coaching.

1.4 Apna School coaching classes: This initiative is operational in tribal and non-tribal villages near Godda, Jharkhand. It coaches students till the fifth standard and provides access to formal education to the marginalised. It targets areas with a literacy level below 50% covering Santhals and Yadavs (Scheduled Tribes and Other Backward Classes). The beneficiary students comprised 210. In a similar initiative called Prayas-30 in Raipur, 24 students were selected since 2012-13.

1.5 Noni Laari: This transportation facility for girls from six villages near the Raipur project area is directed to those seeking to pursue their studies. Beneficiaries



can opt for this facility to go to PG College-Tilda, about 22 kms from the village. Some 300 girls completed their graduation from here; the beneficiaries provide free tuition classes to students of standards 1 to 8 at their homes (part of Swadaan Yojana).

1.6 Pre-training of youths for Army and Police: In Tiroda location villages, youth who are keen to pursue a career in the police and army after completing their higher secondary education (while pursuing graduation), are provided training. Adani Foundation started a cost-free three-month program in association with Police Department and Khairbodi village Gram Panchayat. The intake of 100 students per batch are taught theory to prepare for the written examination as well as physical training. In FY 2020-21, due to the pandemic, training and practice examination was restarted online through Google Meet. Some 12 candidates were selected.

1.7 Aamchi Shala Aadarsh Shala: An ideal government schools competition was initiated in collaboration with Government Education Department to encourage community participation. 'My school, Ideal school' was directed to enhance pride and ownership among stakeholders (schools, community members, parents and teachers). The programme started in 2016-17, initially in Tiroda Z.P. School with 19 schools. Subsequently, implementation was taken up in eight blocks of Gondia district with 267 schools and 30,907 students. In FY 2020-21, the District evaluation committee completed the school evaluation process of 267 schools from 89 centres, declaring winner schools from the Tiroda, Sadak-Arjuni, Gondia and Deori blocks.

1.8 Support to Government schools: This year, 217 dual desk furniture sets were given to 32 schools in Kawai and kitchen materials to 9 schools in Godda. Winter wear was distributed to 3,500 students of 19 schools and 7 anganwadis in Jaisalmer.

1.9 Supporting Sports Events: In Godda, 38 sport kits comprising football, volleyball, cricket etc., were distributed to more than 20 youth groups under the rural youth engagement program. Football, netball and friendship cricket matches were organised including for the disabled. Sports kit (cricket, volleyball, football, basketball etc.) were provided in 14 schools of Jaisalmer.

2. Community Health

Adani Foundation regards healthcare as a basic human right. Bringing healthcare to the remotest regions, Adani Foundation's key focus is improving access to quality preventive and curative services for people belonging to weaker sections. It runs Mobile Health Care Units (MHCUs) across the nation, hospitals and rural clinics; it organises general and specialised health camps. Considering the pandemic, the Foundation worked to safeguard frontline responders and supply life-saving medical equipment.

2.1 Mobile health care units (MHCUs): The Foundation operates MHCUs, providing on-the-spot medical assistance to patients at their doorsteps in regions where medical facilities are not available. The rural mobile health care unit service is provided to reduce travel time, hardships and expenses. This service is a boon for women, elderly and children as the service is provided at their doorstep. It provides primary medication, diagnostic facilities, medicines, free of cost consultation and referrals by certified doctors. Four MHCUs have been deployed in Kawai, Tiroda and Raipur. Some 57,312 treatments were provided during the year under review.

2.2 Health check camps in government schools: Usually, health check camps are organised each quarter in schools. This service was resumed after school reopening. The program aims to reach and provide medical attention to each child in around 36 government schools across our working villages, screening 1,247 children. A sanitation activity was conducted and awareness sessions were held.

2.3 Specialised and general health camps: Mega health camps were organised at four villages in Kawai. A team of 12 doctors and paramedical staff provided treatment for general ailments, gynecology, child issues, skin, ENT and eye checks. Some 1,717 villagers were diagnosed, provided medicine and referred for further treatment. A medical test facility was introduced for patients in four mini structured camps. Some 15 testing facilities (Hb, sugar, pregnancy, urine, ESR, HBsAg etc.) were available. Some 1,221 test reports were generated.

2.4 Disability camp: This was conducted on the occasion of World Disability Day under Divyang Swawlamban Yojana wherein eligible people were distributed wheelchairs (31), tricycles (16), blind sticks (7), elbow crutches (3), hearing aids (25), sticks (5), crutches (4) and walkers (2).

2.5 SaHAJ – Sanitation and Health Awareness Joint-venture: the subject of menstruation warrants sanitation facilities, knowledge and support among mothers, family members and daughters. In Kawai, SuPoshan Sanginis counsel women in reproductive age groups. This led to the creation of a sanitary pad manufacturing unit; the finished products were distributed through Sanginis. Initially, pads were distributed free; later, the group will charge a nominal amount. A total of 3,111 adolescent girls and 6,897 women of the reproductive age group could benefit from this.

2.6 Poor patient support programme: At Tiroda, Adani Foundation is supporting patients of weak economic backgrounds through the Poor Patient Assistant Programme. The programme reduces healthcare challenges during critical illnesses and increases remedial affordability. In FY 2020-21, 11 patients were provided financial assistance.

2.7 Smart Gruhini project: An aware informed group of women can make a difference in their communities. A competition was held to motivate women to adopt healthy and hygienic lifestyles comprising residence cleanliness, regular hand washing, using water filter etc. Families that adopted waste segregation and wastewater management engaged in kitchen garden cultivation. In FY 2020-21, 2,000 households participated in the competition.

3. Sustainable Livelihood Development

Adani Foundation's intervention to support sustainable livelihood generation is driven by the belief that a society comprising empowered individuals with a decent standard of living leads to prosperity. The Foundation builds social capital by promoting self-help groups, enhancing agricultural practices and organising skill development training. Specific programmes are designed for fisher folk communities, farmers and cattle owners so that they can become self-reliant.

3.1 Organic System Rice Intensification (SRI): An organic System of Rice Intensification (SRI) increases rice yield with low water and less labor-intensive techniques. It entails the use of younger seedlings, singly spaced and typically hand weeded with special tools. At Tiroda, organic SRI paddy cultivation method has been ongoing since 2013-14. During FY 2019-20, the area under organic SRI was 20,191 acres across 10,000 farmers. To reach the standard SRI yield of 25-30 quintal/acre, an SRI demonstration plot was developed with 37 farmers across 37 acres. Production increased to 24.74 quintals/acre (11.60 quintals more over the traditional method). This saved input costs by 77.46% per acre, fetching an income of ₹62,042/acre with net profit of ₹38,642/acre. During the year under review, the SRI method increased production 87.76% and net profit 94% over the traditional method.

3.2 Production of vermi-compost, organic pesticides / bio enzymes: Adani Foundation promoted organic farming techniques like SRI and ensured the production of organic manure by farmers. Some 561 farmers were involved in vermicomposting. During the year under review, production increased to 13,464 quintals. About 220 farmers also sold 3,000 quintals of vermi-compost in nearby villages and generated an income source (each farmer earned ₹3,818). In Godda, 111 vermi-compost beds were set up by 88 farmers in 14 villages of the core and railway line area of TPP. Some 48 Tonnes was produced in the first phase; 174 metric Tonnes are expected in phases 2 & 3.

Some 763 farmers produced 15,260 liters of Dashparni Arc ad sold at ₹20 per liter; 238 farmers produced 55,600 liters of Jivamrut and sold at ₹10 per liter; 51 farmers produced 408 liters of Bhrahmastra and sold at ₹50 per liter; 92 farmers produced 1,472 liters of Agniastra and sold at ₹75 per liter.

3.3 Organic-based integrated farming: Organic-based integrated farming was initiated with eight active farmers a on pilot basis to increase incomes through multi-cropping. For instance, lemon and tur (pigeon pea) crops were planted as organic integrated farming. Preparation of land (ploughing, pit digging and layout for systematic plantation) was completed; the nursery of tur crop and 880 PDKV Sarbati lime samplings were protected with fencing and will bear fruit in a few years. Some 200 flood-affected framers were supported with Zero Till Drill machine and technical guidance to sow rabi crops.

3.4 Fruit plantation through Wadi model: In 16 villages of Kawai, over 34 families were brought under the programme; 10 acres were brought under 'wadis' of mango, orange, pomegranate and mango plants, expected to fruit from FY 2022-23. Similarly, 141 families of 7 villages in TPP Godda planted 352 horticulture saplings of nutritional value, namely banana, lemon, drumstick and guava.

3.5 Farmers producers company (FPC): Farmers of Tiroda were organised into farmer producer companies (FPC) – Tiroda Farmers Producers Company Limited and women producer company Pragatishil Mahila Farmers Producer Company (PMFPC). TFPCL comprised 212 stakeholder members and established a Farmer's Centric and Functional Farmers Producer Organisation for milk processing, a marketing platform for small-scale farmers. TFPCL established an agriculture equipment bank to support local farmers. PMFPC comprised 238 women stakeholders, marketing under Aadhirakshi brand products made by self-help groups (SHGs) focused on agarbatti, lac bangles etc. The Company is also supporting women entrepreneurs by setting up a milk collection and chilling center.

3.6 Animal husbandry initiatives: At Tiroda, two livestock development centers had been functional since 2017 with the support of BAIF. Its objective was to develop dairy farming through the breed improvement of local cows and buffaloes. It covers 26 villages, providing artificial insemination, sorted semen sex, AI and pregnancy diagnosis, cattle health check camps and training etc. Both LDCs are promoting sustainable cattle rearing practices through the provision of services and training of cattle owners in fodder management, vaccination, and deworming. Artificial inseminations are promoting and conserving indigenous cattle breeds (Sahiwal, Tharparkar, Gir, Murha, Jersey and HF).

The newly-started Sorted Sex Semen (SSS) AI is giving 90% assured female calves, increasing dairy farmer productivity. In FY 2020-21, LDCs provided 2,072 AI (including 843 SSS) 747 calving (including 108 SSS). Cumulatively, 4,304 AIs were carried out and 1,373 calves born. Similarly, two LDCs in Kawai location are providing similar services. 10 Infertility cum cattle health check camps were organised in 10 villages; 408 livestock holders benefitted; 2,476 livestock checked in camps. The Foundation provided de-worming, ticks, parasite demolition, infertility checks, weakness treatments and general treatments.

The Foundation conducted vaccination drives against Lumpy Skin Disease in 10 villages in Tiroda block 2740 cattle were vaccinated. In Raipur, four vaccination and treatment camps were conducted under Gau Jatan Programme, treating 2,000 cattle and 500 goats. In Godda, 53 specialised medical camps (33 villages) for livestock were organised with the Animal Husbandry Department in core, periphery, railway line and pipeline areas of the Thermal Power Plant. Some 17,511 cattle and livestock were screened and treated, benefitting 2,996 cattle owners. This comprised vaccination, deworming, ticks, parasites, demolition, infertility checks, weakness treatments and general treatments to animals.

3.7 Fodder demonstration and cultivation: LDCs are promoting scientific fodder cultivation practices to develop healthy fodder feed management practices of livestock. Some 43 framers are cultivating Hybrid Napier Fodder and 28 cattle owners successfully growing Azolla Fodder. The good quality of adequate fodder complements improving milk productivity and animal health.

3.8 Kitchen garden seeds distribution programme: A kitchen garden in the backyards of rural households increases the availability and accessibility of nutrition-rich food products. Families are becoming self-sustainable by growing nutritious vegetables and fruit. In FY 2020-21, 4,576 households were provided seeds packets of spinach, lady finger, bottle gourd, carrot, tomato, corn, chili, bitter gourd, lal bhaji, etc. to address the nutritional requirement of women, children and families. Some 12 varieties of green and leafy vegetables seeds were provided, consisting of micro- and macro-rich nutrients.

3.9 Pearl Drops drip irrigation programme: A drip irrigation program was launched to support 31 window women farmers (82 widows till date) in the drought prone Amravati region who lost their spouses to suicide. Our support provided relief with minimal investments. They not only saved their crops but also harvested an optimum yield of cotton and orchid orange, enhancing their confidence.

3.10 Capacity building for income generation: In Tiroda block, Adani Foundation (in collaboration with the Government of Maharashtra) launched Manav Vikas Mission, running income generation activities for rural women. This included oyster mushroom cultivation, and manufacturing lac bangles and incense sticks (agarbatti). These initiatives involved 253 members in 43 women's Self-Help Groups (SHGs). These home-based enterprises are upgrading skills and incomes.

Agarbatti production: Adani Foundation provided 20 agarbatti machines in five villages; 60 SHG women were involved in their production. Adani Foundation prepared a strong base for the buyback of agarbattis, which generated an income source for SHG women and their families during the pandemic. In FY 2020-21, 71,061 kg of agarbattis were produced and sold for ₹39,84,619.

Mushroom cultivation: During the year under review, 100 women are cultivating oyster mushrooms at their homes. Quality mushroom seeds/spawns were prepared at the Adani Foundation Mushroom Spawn Unit, generating the best oyster mushrooms which were then sold. Mushroom was cultivated across 3,712 beds, producing 9,280kg of oyster mushrooms and fetching a profit of ₹12,43,520.

Lac bangle manufacture: The raw material for lac bangle is lac, which is being cultivated on a large scale by farmers in Gondia District. Recognising its potential, Adani Foundation initiated its manufacture with a women's SHG. Some 45 women were trained,

including tribal women skillfully making lac bangles at home. Adani Foundation provided them with buy-back provision. Through the sale of hand-made lac bangles they earned ₹3000-4000 per month and for the last two years, the bangles are being sold on a giant e-commerce platform under the Aadhirakshi brand. In FY 2020-21, 300 pairs were sold online.

Vegetable van: In FY 2020-21, Adani Foundation supported a vegetable van/cart for women SHG members with the objective to enhance livelihoods, promote organic food for better health and ensure the availability of fresh organic vegetables. Some three SHG women are handling the cart, selling fresh seasonal vegetables and fruit from the village kitchen gardens, earning a profit of ₹200-300 per day.

Other income generating activity: To encourage more women's self-help groups, Adani Foundation arranges financial linkages training and exposure visits. Some 15 women of Saheli Shashakt Silai Samooh and 15 trainees were engaged in sewing in the tailoring production center. This group prepared more than 27,000 masks and 10,000 garments. One women group initiated the assembly of LED bulbs; a commercial production unit was started.

3.11 Adani Foundation supported digital learning centres: Adani Foundation's digital learning program has benefitted the underprivileged and tribal children. Two online digital literacy class batches commenced during the pandemic and 221 candidates benefitted in FY 2020-21.

3.12 Skill and entrepreneurship development: Adani Foundation set up a mass production centre comprising 274 sewing machines (107 domestic, 154 electric and rest kaaj, button and interlocked). In Dahanu, an online course of Tally with GST was introduced; the first batch completed the course.

3.13 Meri Sangini Meri Margdarshika: A new 'Meri Sangini, Meri Margdarshika' project was implemented by Adani Foundation with Haqdarshak Empowerment Solutions Ltd. in Tilak Nagar and Aarey Colony in Mumbai. The project trains women leaders from within the community, who then become agents of change in their neighbourhoods. As a Sangini, the community volunteer is provided skills to act as a peer counsellor and advisor on social issues like domestic violence. They also act as a bridge to connect people with government agencies through insurance schemes (PMJJBY and PMSBY), opening saving accounts, applying for a PAN card, creating a PPF account and enrolling in Sukanya Samriddhi Yojana. Capacity building is helping Sanginis become knowledgeable. They are trained in using the Haqdarshak mobile app, enhancing awareness and filling application forms on behalf of citizens. In FY 2020-21, 13 Sanginis were trained who held 131 camps and helped submit 201 applications (109 beneficiaries).

3.14 Integrated Tribal development (ITD) project with NABARD: In association with NABARD, Adani Foundation is carrying out Integrated Tribal Development Project in 11 villages of Dahanu taluka of Palghar district. This project is securing the economic base of tribal families in the programme area, enhancing family incomes.

The ITD project provides seed and material support for systematic agricultural, horticulture and floriculture interventions.
The project benefitted 1000 land owning tribal families for developing one acre 'wadi' (farms) – the plan for which is phased over seven years. In FY 2020-21, six pairs of oxen were provided to tribal farmers, who generated a satisfactory income cultivating vegetables like okra, brinjal, pumpkin, cluster beans (₹8,500-30,000), jasmine (₹20,000-31,500) and mango plantations.

The project is benefitting more than 100 landless tribal families with support for service and skill based interventions like tailoring, carpentry etc., establishing micro-enterprises such as grocery shops, flour mills etc. and partaking in livelihood activities like poultry and livestock rearing. The comprehensive ITD project entailed a water development programme for repairs and the creation of new well, borewell and robust water distribution systems. It conducts health programmes and promotes the use of kitchen gardens for community members. Through eight Village Planning Committees (VPC) and 25 Women's Self-Help Groups, community members are strengthening self-reliance.

COMMUNITY INFRASTRUCTURE DEVELOPMENT

Community infrastructure bears a direct impact on the standard of living of its people. Access to resources, increase in the avenues for developing livelihoods, safe & clean sources of drinking water, and access to qualitative primary health care systems lead to better productivity, reduction in morbidity and adequate employment. Recognising this, the Foundation endeavours to make its activities need-specific and responsive to grassroots requirements. In the geographies where Adani Foundation is present, it facilitates small scale basic structures, technical facilities and systems built at the community level critical for the sustenance of lives and livelihoods.

Tiroda

Construction and Repairing of Schools and Anganwadi: School buildings, classrooms, playgrounds and libraries are the most important aspect of school infrastructure. Spacious and refurbished buildings and ventilated classrooms are a must for effective teaching and learning. Adani Foundation helps reconstruct and repair school classrooms. During FY 2020-21, classroom construction was done at Kawalewada School. A toilet at Z.P. School, Sukali, was constructed.

Community hall construction: With the construction of a community hall at Khairbodi village, community members can gather for group activities, public information sessions etc.

Water conservation though soil bund construction: Adani Foundation (with community participation) built a soil bund on the water stream of Chikhali village. This will help to store more water to help farmers cultivate rabi crops. A total of 22 pumps were installed by farmers covering 170 acres and benefitting more than 78 farmers.

Kawai

Bituminous road – NH-90 to Seendhani: This road was constructed to provide safe transportation, especially in the rainy season, benefitting 2,405 villagers.

Open gymnasium: With the intent to develop grazing land as a public place that promotes healthy living, Adani Foundation supported the gram panchayat for the installation of open gymnasium equipment in the grazing land area and developing a park in two sections – one for children and another for adults.

Jaisalmer

Installation of streetlights in villages: Installation of street solar lights was completed near bus stations, temples, sub health centers, police chowkis, schools and playgrounds. Nine villages were provided 50 solar streetlights.

Godda

Renovated and beautified Anganwadi centres with BALA painting: Six Anganwadi centres in four villages of the core area were enhanced to promote a creative learning environment. The Anganwadi is a source of benefits for child and maternal well-being. It facilitates awareness of nutrition level, particularly for

children (0-5 years), adolescent girls, pregnant women and lactating mothers. This will be further strengthened by SuPoshan Sanginis. In addition to this, it will help District Administration, ICDS functionaries for continuous and proper functioning of Anganwadi Centres to provide needful benefits. A laboratory was renovated to improve facilities for students of Sr. Secondary School of Godda and High School Motia.

Dahanu

Renovation of Sub-District Hospital and Construction of Sheds for Water Filtration Units: Authorities of Sub-District Hospital, Dahanu, had requested Adani Dahanu Thermal Power Station (ADTPS) to develop and repair its library room. The Adani Foundation facilitated the same; residential doctors, trainee doctors and other medical staff are using the renovated room as a study/library room. ADTPS provided drinking water filtration units for which sheds were constructed for their safekeeping. Sheds were provided at Agwan – Bhutkhadik, Agwan – Shishupada, Z.P.School, Kainad – Kotbipada, Z.P.School, Savate and Z.P.School, Pale – Boripada. With this initiative, approximately 1600 people benefitted.

COVID-19 RELIEF WORK

Adani Foundation contributed to the battle against the coronavirus pandemic in India. Apart from anchoring immediate and comprehensive relief work, the Foundation and the Group donated upwards of ₹114 Crore to central and state governments for PM CARES Fund, Maharashtra CM Relief Fund, Gujarat CM Relief Fund and Andhra Pradesh CM Relief Fund, among others. This monetary aid also includes employee contributions and donations made to NGOs engaged in COVID-19 relief work. The Adani Foundation donated 10,000 PPE kits to the Government of India to safeguard healthcare providers. These contributions helped limit the spread of the coronavirus and mitigate impacts on communities.

24x7 ambulance service: On behalf of the Government Hospital Gondia, 2 MHCUs worked as ambulances to transport patients and suspected patients from villages to the treatment centre and district hospital (3,032 patients and family members).

Food packets: Food was provided to daily wage labourers and migrants, most without ration cards. More than 7,635 grocery kits were provided to these families, each kit containing 5 kg rice, 1 kg wheat flour, half-a-litre cooking oil and 1 kg dal etc., among others.

PPE kit support: Some 15 personal protective equipment (PPE) kits were provided to medical and paramedical team of government hospitals as well as the police.

Installed 12,655 liter capacity oxygen storage tank: Oxygen storage tank (12,655 liter capacity) was installed at Gondia Government Hospital, which will help reduce oxygen shortage.

Supported village sanitisation: Adani Foundation initiated COVID-19 relief, benefitting 17 village Gram Panchayats and 19 Government offices of Tiroda and Gondia, including hospitals, police stations, RTOs, RFOs, DFOs, Nagar Parishads, Collector offices, ZP office and Registrar office, etc.

Mask making and distribution: In COVID-19, wearing a face mask plays a crucial role in protecting oneself. To increase the availability of masks, an order was given to SHG members. They made and sold more than 1700 masks, generating an income.

Relief work in Dahanu: Grocery kits were distributed to over 1,225 families of daily wage labourers, construction workers, slum dwellers and other underprivileged communities. At the Adani Foundation-run tailoring training centers, trainees were involved in stitching face masks at nominal rates, which were then distributed among community members, employees, contract workers and Mumbai slums.

Our vendor management platform

The success of our business operations in driving efficiency is based on a reliable and sustainable supply chain. Vendors play a significant role as partners in delivering quality projects in a cost-effective and time bound manner.

As an organisation committed to sustainability, social and environmental performance of our vendors is as critical to us as the best quality of service. A structured and uniform supply chain management process helps us to manage the Environmental, Social, and Governance (ESG) performance of our suppliers. Our newly implemented on boarding vendor process incorporates pre-qualification criteria, including credentials and capability to execute assignments, adherence to safety and environmental norms and, compliance to statutory requirements. Once the vendor is successfully onboarded, we audit the vendors on a rotational basis, which ensures no pre-emptive risks surface. Quarterly score cards are maintained, which includes various parameters such as delivery, performance, quality, safety, environmental, management systems, past supply record, customer feedback, etc.

All suppliers, contractors and business partners involved in ATL's supply chain are expected to share the same values and standards as the organisation with respect to Governance, Social and Environmental performance. The Company is committed to extending these sustainability criteria throughout its extensive value chain while continuously working together with its supply chain partners to tackle risks and improve its responsible procurement practices.

ATL has an established Responsible Supply Chain Management policy that effectively governs the organisation's supply chain management practices and its integration with environment, social and governance aspects.

Supplier Code of Conduct

ATL is committed to conduct its business with high standards of compliance and ethics. ATL endeavors to engage with suppliers who conduct themselves in a lawful and ethical manner, protecting human and labour rights, health and safety, information security and the environment. To achieve this, ATL established a Supplier Code of Conduct that communicates the company's expectations, corporate values and culture to suppliers and serves as a guideline in evaluating prospective partners.

The Supplier Code of Conduct embraces environmental, social and governance standards of operation. The Code's social compliance criteria covers all essential components as per global standards such as prevention of child labour and forced labour, human rights, employee rights to fair wage and working hours, occupational health and safety, freedom of association, anti-discrimination, community inclusive development and minimising social impact of business operations. The environmental provisions of the code addresses components such as compliance with all applicable environmental laws, resource efficiency, and climate change action, biodiversity enhancement and prevention of pollution. Similarly, the code also lays down governance related provisions such as compliance with all applicable all regulations, anti-corruption and bribery and business ethics. Therefore, effective ESG integration is achieved in ATL's supply chain management. All existing suppliers are governed by the supplier code of conduct and all potential suppliers are required to comply with provisions.

Supplier screening and evaluation criteria

To evaluate new suppliers, ATL established a Supplier Screening and Risk Assessment framework as an integral part of the vendor onboarding process. Within this framework, the Company developed a comprehensive Supplier Risk Assessment Score Card which incorporates significant screening/pre-qualification criteria, including ESG aspects, credentials, capability to execute assignments, quality norms and compliance with statutory requirements. The Scorecard is utilised to evaluate the mechanisms and performance of all suppliers under consideration against the following listed ESG and parameters.

Environmental criteria

- Environment Management certification
- Energy Management certification
- Energy and GHG emissions
- Water conservation
- Land conservation
- Pollution
- Green packaging
- Management and disposal of hazardous substances
- Environmental compliance

Social criteria

- Human Rights Policy
- Health and safety
- POSH
- Child Labour Policy
- Social Accountability certification
- Medical fitness
- Compensation Policy
- Compliance to laws governing child labour, minimum wage etc.
- Labour Policy
- CSR

Governance criteria

- Board Diversity Policy
- Code of Conduct
- Whistle blower Policy
- Anti-Corruption and Bribery Policy
- Information Security certification
- ESG reporting
- License to operate
- Socioeconomic compliance

100% of ATL's suppliers are assessed before onboarding

Supplier Screening and Risk Assessment framework.

Once the supplier is successfully onboarded, suppliers of ATL are audited using the Supplier Risk Assessment Score Card on a rotational basis. This continuous supply chain risk management approach enables proactive decision and mitigation measures.

Assessment Criteria

Suppliers

- Manufacturing capability
- Quality
- Environmental compliance
- Labour & Human Rights
- Occupational Health & Safety

Contractors

- Construction capability
- Safety Procedure and Accident Score Card
- Environmental compliance
- Labour & Human Rights
- Occupational Health & Safety

Our key vendors are mainly divided into three categories:

• Supplier for supply of key materials for projects and O&M

• Contractors for civil construction works

• Contractors for transmission line and substation on turnkey basis

FY 2020-21	Existing Suppliers	New Suppliers
Suppliers screened on ESG parameters	2,417	619
Suppliers audited on ESG parameters	2,417	619

We understand that some of our vendors are low scale and investments required to ensure compliance to environmental and social norms may be a concern. Therefore, we invest and handhold our vendors to abide by requirements. To build a sustainable business relationship with vendors, we provide feedback for improvement. In the present context of global economy and local business, we understand the importance of standardisation and digitisation. We adopted DISHA and AGILE business transformation processes to develop a common vendor base across the Adani Group companies. This enables us to manage performance and engagement levels of all vendors across the group companies.

Identification of Critical Suppliers and Risk Assessment

In addition to the supplier audit on a rotational basis, ATL established a process to identify critical suppliers and assess risks and weaknesses against the listed ESG parameters. The critical supplier identification methodology was based in identifying ATL's dependence on and value generated by a particular supplier - high-volume suppliers, critical component suppliers and non-substitutable suppliers.

Supplier	Number of suppliers	Share of total procurement spent (%)
Total Tier-1 suppliers	2,417	100
Critical Tier-1 suppliers	33*	29.53

*Critical vendor identified for ATL excluding AEML business, plans are in place to extend the critical vendor identification including AEML.

At ATL, the comprehensive supplier risk assessment score card is used to assess the critical supplier's performance to assess inherent ESG risks and weaknesses in the company's value chain. A supplier who attracts a score below 60% in the individual ESG risk category and an overall score below 70% in the vendor risk assessment score card is defined as High-Risk Supplier. No ATL supplier has been categorised as High Risk.

The ESG risks and weaknesses identified in the supplier's performance as a result of the risk assessment and the corresponding corrective action required to mitigate them will be communicated to suppliers. Low scale vendors with investment requirements to ensure compliance and effective performance against environmental and social standards are supported by ATL through investments and structured collaborations to build capacity.

Supplier screening and evaluation

ATL's Supplier Screening and Risk Assessment framework comprises a Supplier Risk Score Card utilised to evaluate processes and performance of all suppliers under consideration against ESG parameters. All ATL's suppliers are screened using this scorecard. The following are the social criteria evaluated for all suppliers as a part of the risk assessment score card: Human Rights Policy, POSH, Child Labour Policy, Social Accountability Certification, Medical fitness, Compensation Policy, Compliance to laws governing child labour, minimum wage, etc., Labour Policy and Community Relations.

To ensure compliance with the supplier code of conduct, random annual supplier audits are conducted by an ATL expert as a part of SA8000 certification. This is practiced at the Dahanu Thermal Power Station of ATL and will be adopted by all the company's entities as a part of the certification pursuance.

Vendor engagement

ATL has a robust process of engaging vendors; provide feedback of improvement and address concerns. A formal stakeholder consultation was conducted with 52 vendors to support our Annual Materiality assessment process. The responses gathered were analyzed to identify concerns and a plan of action was devised. A vendor meet for ATL business vendors was organised on the theme Value Co-creation with Collaboration. The meet saw the participation of 50 vendor representatives from 23 key vendors, including transmission line and substation EPC and manufacturers of equipment. Representatives were enlightened on key expectations of ATL, technology partnership, systems and process automation, innovation, ethics, asset light concept and ESG. The takeaways from the meet were as follows: standardisation of 'Conditions of Contract', Shared tariff model with vendors, vendor financing, seminars on technical initiatives at Adani Corporate House and good practices.

Procurement Practices

ATL adopted integration practices to optimise the cost of raw materials, especially tower parts and aluminium conductor and control quality and delivery. The conversion model enables ATL to procure raw materials at the best price and with a lower carbon footprint from a logistics point of view.

Based on market trends, data and projections, ATL took strategic calls for forward positions of aluminium ingot and zinc, entering into Memorandum of Understanding for steel etc. to mitigate the price escalation risk and optimise project costs.

Procurement expenses (FY 2020-21)

Expense head	₹ Crore
Procurement budget	3,028.97
Domestic procurement	3,023.26
Amount on import	5.71

During the year, ATL spent nearly 99.81% expenditure for domestic procurement and the remaining 0.19% on import.

Cyber security

According to the International Energy Agency, "Digitalisation is already improving the safety, productivity, accessibility, and sustainability of energy systems. But digitalisation is also raising new security and privacy risks."

ATL's business processes and day-to-day functions are automated and interconnected through Information Technology. It is essential for the organisation to have a capable security system that protects the company from cyber-attack risks.

ATL established a strong cyber security governance with direct Board oversight to the security and resilience of network to prevent IT system failures. The Risk Management committee of the Board is the highest governing body responsible for the review of the cyber security function. The Chief Executive Officer possesses executive responsibility for establishing and maintaining the Information Security strategy and processes.

ATL established a dedicated Information and security policy to ensure that all information assets including data, intellectual property, computer systems and IT equipment are adequately and consistently protected from damage, inappropriate alteration, loss and unauthorised use or access. Based on the Information and Security policy, ATL established information security procedures for all employees to meet regulatory and statutory requirements pertaining to information collection, storage, processing, transmittal, and disclosure.

The Information Security/ Cyber security risk identification, prioritisation and management is effectively integrated within the organisation Risk Management Framework. In addition, ATL has implemented ISO 27001 Information Security Management System (ISMS). Adani electricity Mumbai Limited (AEML), a subsidiary of ATL, also has already established ISO 27001 certified ISMS within its operating boundary.

ATL has done detailed analysis of CIA (Confidentiality/Integrity/ Availability) rating for all enterprise level applications. All the applications were analyzed on key areas like i.e. Financial impact (direct or indirect), Operations & Projects (Operation held up, Delay in Project, Environmental Impact, Legal & Regulatory Compliance), Stakeholders (Employee, Customers & Client; Extent of damage to relationship/ geo-political stability, damage to reputation). Control areas were High Availability, Network/ Connectivity and DC, Disaster Recovery (DR), Data Backups, Data Access. Overall outcome of the analysis was well within required range for High availability set up, Disaster recovery, recovery point objective & recovery time objective.

To continuously assess and monitor the resilience of the Information Technology infrastructure and to proactively identify any potential cyber risks, periodic vulnerability analysis, including annual penetration testing, is performed for IT infrastructure as well as its associated applications. In the reporting period, ATL suffered no incidents in its IT infrastructure and no security breaches.

Customer data protection

ATL understands that customers are the true owners of their data and without their consent; no data can be collected, processed or used by any corporate entity. To ensure customer data protection, ATL transparently educates customers on how it uses their data, such as the nature and the purpose of customer information captured as well as how the information is protected. In the reporting period, the company reported no customer privacy breaches.

Customer satisfaction

Continuous customer feedback and engagement is essential for ATL's business to understand changing customer expectations and enhance service excellence accordingly. For this purpose, ATL conducts a customer satisfaction survey periodically to monitor whether the service meets expectations and identify gaps.

Customer satisfaction	FY 2018-19	FY 2019-20	FY 2020-21
Percentage of customers surveyed	0.006	0.03	0.03
Percentage of satisfied customers	71%	83.75%	58.75%

Customer Grievance Redressal Mechanism

The Company's customer orientation is reflected in its proactive approach to complaint's redressal.

A. Mechanism to address customer queries

To ensure that consumer grievances are resolved with speed, we follow a robust Consumer Redressal Process Flow.

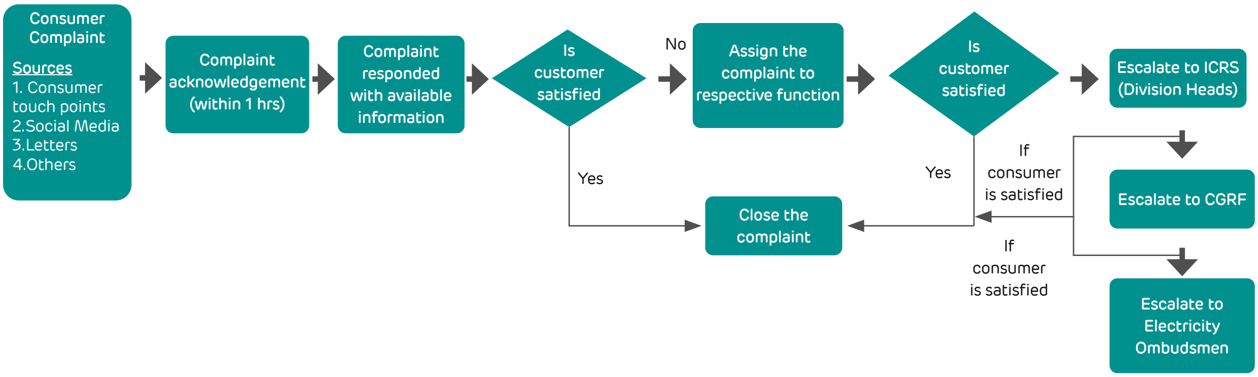
Commercial

- 1,29,291 complaints in FY 2019-20
- 84,000 complaints in FY 2020-21
- 99.95% resolved within turnaround time
- 3 were escalated to CGRF

Technical

- 6,85,576 complaints in FY 2019-20
- 5,15,985 complaints in FY 2020-21
- 97.4% complaints attended within 1.5 hours; 99.91% complaints attended within 3 hours

B. The process flow for complaint resolution



a. AEML customer service touch points

AEML offers touch points where consumer can interact for any information or complaint:

- Mobile App: Adani Electricity Mobile App
- WhatsApp: 9594519122 and say 'Hi'
- Genius Pay Self Help Kiosks
- Virtual Customer Care Centres (interaction through video call facility)
- Call us 24 x 7 Toll Free Call Centre (help line) number: 19122
- Email: consumercare@aeml.com
- Elektra - Digital Assistant on Website, Facebook Messenger and WhatsApp
- Missed Call: 1800532 9998
- Website: www.adanielectricity.com
- SMS service: Send Power<9-digit account no.> to 7065313030

AEML also responds to the voice of the customer on social media platforms and stays connected with consumers through its official social media handles:

- On Twitter @adani_elec_MUM
- On Facebook @ AdaniElectricityMumbai
- On LinkedIN as /adani-electricity
- On Instagram @ adanielectricitymumbai
- On You Tube / AdaniElectricity MumbaiLimited

Consumers can register their complaints and track redressal in a structured manner. Complaints registered from any touch point can be tracked uniformly on the website, mobile app or other touch points.

b. First level of response

- AEML endeavours to resolve complaints in the first interaction itself to the customer satisfaction. AEML has trained executives who understand consumer issues and respond with preliminary information.
- In case customer is not happy with the first resolution, it is assigned to the respective process the team to respond with elaborate data.
- In case the consumer is not happy with resolution from the process team, the complaint is put to an Internal Grievance Redressal Forum (IGRF). All escalations are assigned to divisional heads of AEML.
- All complaints will be automatically escalated to the next level in case they are not responded within the defined timelines against each level of escalation.

c. Internal Grievance Redressal (IGRF)

- An IGR is set up in AEML as per the guidelines of MERC & Electricity Act to address customer grievances.A customer unsatisfied with the AEML customer service team can apply in IGRF forum to seek a formal review and address concerns. A hearing is held with relevant authorities from Adani Electricity Mumbai Limited (AEML) to address the complaint and provide resolution.
- A customer can approach IGR through a web-based module where the consumer can raise the complaint with the documents and track the complaint.

d. Consumer Grievance Redressal Forum (CGRF)

- Along with specifying mandate for defining norms and standards for performance and monitoring of the same, the Electricity Act 2003 (Sec 42) lays down a grievance redressal structure.
- If a consumer is not satisfied with the remedy provided by IGRF Cell to his grievance or where no remedy has been provided within such a period, a consumer may submit the grievance to the Forum.
- The web-enabled CGRF module works as a consumer-friendly complaint registration and tracking system. A consumer can register a grievance and can track redressal.
- A grievance may be submitted by a consumer in an appropriate format with a undertaking forms signed and documents supporting the grievance.
- The required formats with undertaking are available on the web portal in easy-to-fill / download / upload formats.
- A consumer can login a grievance on the web-portal by duly filled necessary information and prescribed format with undertaking. Grievances submitted through the portal will have an auto generated tracking number and the consumer may track the complaint status through a tracking number.
- Grievance submitted will get scrutinised/required suggestions intimated to the consumer by re-submission of the grievance, if any.
- Grievances received with required and complete information will be registered in CGRF and a CASE number will get generated.
- As per timelines, a nodal reply will be submitted by the Nodal Officer on the portal and the consumer, can file a rejoinder.
- A hearing is scheduled. CGRF (certified) minutes copy / order copy is uploaded on the portal and sent to the consumer vide e-mail or hard copy. The grievance process gets a closure.
- Required intimations in process are sent to consumers through any electronic mode as preferred by the consumer.
- As per Clause #10 of MERC (CGRF & EO) Regulations, 2020 Forum Order can be reviewed.
- Copy of MERC (CGRF & EO) Regulations, 2020 has been uploaded on CGRF portal in English and Marathi.
- Forum contact details:

  Consumer Grievance Redressal Forum

  Adani Electricity Mumbai Limited

  Devidas Lane, Off. S.V.P. Road, Near Devidas Telephone Exchange, Borivali (West), Mumbai 400103.Tel No.: 022-50745004

  CGRF Office Time: 10.30 a.m. to 4.30 p.m.

  E-mail: Consumerforum.mumbaielectricity@adani.com

  CGRF Website: cgrf.adanielectricity.com (For Details)

  AEML website: adanielectricity.com (Also for complaint login thro' ICRS & CGRF)

e. Electricity Ombudsman

In case the customer is grievance is not redressed to satisfaction by the first two forums, a customer may make a representation for redressal to the Electricity Ombudsman appointed by the MERC within 2 months from the date of the order of the Forum.

The address of the ombudsman is as follows:

606, Keshva Building, 6th Floor, Bandra Kurla Complex,(BKC), Bandra (East), Mumbai 400 051, Maharashtra. Email ID: electricityombudsman mumbai@gmail.com

We have made available details of the Electricity Ombudsman on our website as well.

External assurance is conducted for data across material ESG indicators as per the policy of ATL with the objective to include in the Integrated Annual Report and website.

DNV

Independent Verification Statement

Introduction

DNV GL Business Assurance India Private Limited ('DNV') has been commissioned by the management of Adani Transmission Limited ('ATL' or the 'Company', Corporate Identity Number: L40300GJ2013PLC077803) to carry out an independent customised verification of the selected sustainability performance data related to Natural Capital (Energy, Emission, Waste) and Human Capital (Employees, Training and Occupational Health and Safety). These performance data set has been prepared by ATL using the GRI Standards for disclosure in its Annual Integrated Report of FY 2021.

Our engagement has been carried out based on DNV's assurance methodology VeriSustain™[1], (customised verification procedure) as mutually agreed with ATL for the performance data detailed in Annexure - 1 and provides a limited level of verification while applying a ±5% materiality threshold for errors and omissions.

The intended user of this Verification Statement is the management of the Company (the 'Management'). The Management is responsible for all data and information provided to us for verification, as well as the processes for collecting, analysing and reporting the sustainability performance data in its Annual Integrated Report. Our verification engagement is based on the assumption that the data and information provided to us is complete and true and free from material misstatement. We expressly disclaim any liability or co-responsibility for any decision a person or entity would make based on this verification statement. This exercise was carried out during June 2021 by team of sustainability professionals of DNV.

Scope, Boundary and Limitations of Verification

The scope of the verification includes the identified sustainability performance data (detailed in Annexure - 1) for the boundary of ATL and its subsidiaries in India, for the period 1st April 2020 to 31st March 2021, in accordance with the scope of work agreed upon with the management of the Company.

During the verification process, we did not come across limitations to the scope of the agreed verification engagement. This verification engagement did not involve any engagement with external stakeholders or site visits. Considering the COVID-19 pandemic and associated travel restrictions, DNV carried remote assessments in line with DNV's remote assessment procedures. The verification was conducted based on desk reviews, limited interaction with data owners and other publicly available data/ information made available to us.

Verification Methodology

During the verification, we adopted a risk-based approach and a sample-based verification was carried out for a limited level of verification as per DNV VeriSustain and as agreed with ATL. We undertook the following activities:

- Review of the data management processes that ATL has in place to report the Identified sustainability data based on chosen GRI Standards. We examined and reviewed supporting evidences such as supporting documents, secondary data and other information made available by ATL to us;
- Review of systems and procedures for data collection and aggregation i.e. the calculation methodology, assumptions of the selected consolidated sustainability performance data (Annexure-1) prepared for the Company's internal reporting purposes and to be included in its Annual Integrated Report;
- Verification of sample data to check accuracy and reliability for a limited level of verification thru interaction with data owners.

[1] The VeriSustain protocol is available on www.dnv.com

DNV

Conclusions

In our opinion, on the basis of limited level of verification undertaken and mutually agreed scope of work, nothing has come to our attention that would cause us not to believe that the data verified as listed in Annexure - 1, is not a reliable and accurate representation of ATL's sustainability performance data related to the identified GRI Standards. Some of the data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors, and the errors have been communicated for correction and corrected.

Our Competence and Independence

We are a global provider of sustainability services, with qualified environmental and social assurance specialists working in over 100 countries. We state our independence and impartiality with regard to this verification engagement. We did not conduct other third-party audit work with ATL in 2020-21, in our judgement the present engagement does not compromise the independence or impartiality of our verification engagement or associated findings, conclusions and recommendations. We were not involved in the preparation of any statements or data related to the reported sustainability performance data in Annexure - 1, with the exception of this Verification Statement. We maintain complete impartiality toward any people interviewed.

For DNV GL Business Assurance India Private Limited,

Radhakrishnan, Kiran Digitally signed by Radhakrishnan, Kiran Date: 2021.06.19 10:42:12 +05'30'	**Vadakepatth, Nandkumar** Digitally signed by Vadakepatth, Nandkumar Date: 2021.06.19 10:47:32 +05'30'
Kiran Radhakrishnan Lead Verifier DNV GL Business Assurance India Private Limited, India.	Vadakepatth Nandkumar Technical Reviewer DNV GL Business Assurance India Private Limited, India.

19th June 2021, Bengaluru, India

DNV GL Business Assurance India Private Limited is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.com

DNV

Annexure 1: Verified Performance Data - 2020 -21

Sl. No.	Parameter	Associated GRI Standard	Unit	Verified Value (April 2020 – March 2021)
1	Renewable Energy Generated	-	MWh	18,792.63
2	Non-Renewable Energy Consumed - Coal	GRI 302: Energy 2016	Metric Tonnes	1,785,029
3	Greenhouse Gas Emissions – Scope 1 – Power Generation at ADTPS	GRI 305: Emissions 2016	tCO2	2,589,350
4	Greenhouse Gas Emissions – Scope 2	GRI 305: Emissions 2016	tCO2	203
5	Greenhouse Gas Emissions – Scope 3	GRI 305: Emissions 2016	tCO2	25,833
6	Hazardous Waste - disposed	GRI 306: Effluents and Waste 2016	Metric Tonnes	193.56
7	Non-hazardous and Electronic Waste - disposed	GRI 306: Effluents and Waste 2016	Metric Tonnes	16,300.65 and 159.12
8	Safety Statistics	GRI 403: Occupational Health and Safety 2018	Numbers	LTI – 25 Fatalities - Zero
9	Employment Statistics	GRI 401: Employment 2016 GRI 402: Training and Education 2016	-	Total Employees: 11,922 New Hires: 179 Training Hours: 1,73,306
10	Air Emissions	GRI 305: Emissions 2016	Metric Tonnes	PM: 379.28 SO2: 1,407.24 NOx: 2,989.92

Note 1: Renewable energy generated by ATL's subsidiary AEML.

Note 2: Non-renewable energy Consumed at AEML – Dahanu.

Note 3: GHG emissions (Scope 1, Scope 2 and Scope 3 emissions) are limited to power generation based on significance and includes fossil fuels - Coal, Diesel, LDO, Petrol and LPG.

Note 4: Grid EF considers 0.83 tCO2/MWh based on average EF of Central Electricity Authority's CO2 Baseline Database for the Indian Power Sector User Guide Version 15.0 dated December 2019.

Note 5: Scope 3 emissions are limited to significant categories such as Upstream transportation, Waste transportation, Business travel.

Note 6: Hazardous waste disposal quantity reported is limited to waste disposed (waste chemical residue, used oil, paint drums, oil contaminated wastes, etc.) and are based on Form 10 records (Manifests for Hazardous and Other Wastes)

Note 7: Significant non-hazardous wastes consist of metallic wastes and others.

Note 8: Safety statistics consider Lost Time Injuries and Fatalities.

Note 9: Training hours include technical and behavioural training and exclude safety training.

Note 10: Air Emissions are based on concentration, average flowrate and availability of equipment, and converted to Metric Tonnes.

8th Annual Report 2020-21

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Gautam S. Adani, Chairman
Mr. Rajesh S. Adani, Director
Mr. Anil Sardana, Managing Director and Chief Executive Officer
Mr. K. Jairaj, Director
Dr. Ravindra H. Dholakia, Director
Mrs. Meera Shankar, Director

CHIEF FINANCIAL OFFICER

Mr. Kaushal Shah (resigned w.e.f. 2nd February, 2021)

COMPANY SECRETARY

Mr. Jaladhi Shukla

AUDITORS

M/s. Deloitte Haskins & Sells LLP
Chartered Accountants
Ahmedabad

REGISTERED OFFICE

Adani Corporate House, Shantigram,
Nr. Vaishno Devi Circle,
S. G. Highway, Khodiyar, Ahmedabad – 382 421
CIN:L40300GJ2013PLC077803

BANKERS

Axis Bank Limited
Bank of India
Bank of the Phillipine Islands
Bank Sinopac
Barclays Bank
BDO UniBank
CITI Bank
DBS Bank
Deutsche Bank
Entie Commercial Bank
ENDB Bank
HDFC Bank Limited
ICICI Bank Limited
IDBI Bank Limited
IDFC First Bank Limited
NIIF Infrastructure Finance Limited
IndusInd Bank Limited
JP Morgan Chase
KGI Bank
L&T Infrastructure Finance company Limited
Mizuho Bank Limited
MUFG Bank
Power Finance Corporation Limited
PTC India Financial Services Limited
Qatar National Bank
REC Limited.
Standard Chartered Bank
State Bank of India
Woori Bank
Yes Bank

REGISTRAR AND TRANSFER AGENT

M/s Link Intime India Private Limited
5th Floor, 506-508, Amarnath Business Centre – 1 (ABC-1),
Beside Gala Business Centre, Off C. G. Road,
Ellisbridge, Ahmedabad – 380 006.
Phone: +91-79-26465179
Fax: +91-79-26465179

CONTENTS

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative inthe Corporate Governance" by allowing paperless compliancesby the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of theGovernment in full measure, members who have not registeredtheir e-mail addresses, so far, are requested to register theire-mail addresses, in respects of electronic holding with theDepository through their concerned Depository Participants.

Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 8th Annual Report along with the audited financial statements of your Company for the financial year ended on 31st March, 2021.

Financial Performance Summary

The summarized financial highlight is depicted below:

(₹ in Crores)

Particulars	Consolidated		Standalone	
	2020-21	2019-20	2020-21	2019-20
FINANCIAL RESULTS				
Total Revenue	10,458.93	11,681.29	1,434.66	1,653.62
Total Expenditure other than Financial Costs and Depreciation	5,975.97	6,929.33	765.34	880.59
Profit before Depreciation, Finance Costs and Tax	**4,482.96**	**4,751.96**	**669.32**	**773.03**
Finance Costs	2,116.99	2,238.49	690.24	767.19
Depreciation, Amortization and Impairment Expense	1,328.88	1,174.02	0.29	0.30
Profit Before Rate Regulated Activities, Tax and Deferred Assets recoverable/adjustable for the period / year	**1,037.09**	**1,339.45**	**(21.21)**	**5.54**
Net movement in Regulatory Deferral Account Balances - Income/(Expenses)	582.81	(232.77)	-	-
Profit Before Tax and Deferred Assets recoverable/adjustable for the period / year	**1,619.90**	**1,106.68**	**(21.21)**	**5.54**
Total Tax Expenses	424.23	542.88	-	-
Profit After Tax for the period / year but before Deferred Assets recoverable/adjustable	**1,195.67**	**563.80**	**(21.21)**	**5.54**
Deferred assets recoverable/adjustable	93.90	142.69	-	-
Profit After Tax for the period / year	**1,289.57**	**706.49**	**(21.21)**	**5.54**
Add / (Less) Share in Joint Venture & Associates	-	-	-	-
Net Profit / (Loss) after Joint Venture & Associates	**1,289.57**	**706.49**	**(21.21)**	**5.54**
Other Comprehensive Income				
- Items that will not be reclassified to profit or loss	34.24	(21.10)	(0.28)	0.24
- Tax relating to item that will not be reclassified to Profit & Loss	(6.03)	3.61	-	-
-Items that will be reclassified to profit or loss	(192.32)	135.06	(20.95)	158.20
-Tax relating to items that will be reclassified to Profit & Loss	17.71	2.76	-	-
Other Comprehensive Income (After Tax)	**(146.40)**	**120.33**	**(21.23)**	**158.44**
Total Comprehensive Income for the year attributable to the Owner of the Company	**1,096.01**	**869.75**	**(42.44)**	**163.98**
Add / (Less) Share Non-controlling interests	47.16	(42.93)	-	-
Net Profit / (Loss) for the year after Non-controlling interests	**1,143.17**	**826.82**	**(42.44)**	**163.98**
Balance carried to Balance Sheet	**1,143.17**	**826.82**	**(42.44)**	**163.98**

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

Power & Transmission sector

The Power & Transmission sector has seen tremendous progress over the last two decades. Today, Government initiatives such as Saubhagya and the emphasis on renewables have significantly expanded electricity access. The next two decades promises to usher in new opportunities for the sector based on the resurgence of the economy post the pandemic and a positive investor outlook. Your Company is fully equipped to co-create a future in line with the needs of a nation at the cusp of global renewable energy leadership.

Performance of Your Company

Consolidated Financial Results

The audited consolidated financial statements of your Company as on 31st March, 2021, prepared in accordance with the relevant applicable IND AS and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and provisions of the Companies Act, 2013, forms part of this Annual Report.

The key aspects of your Company's consolidated performance during the FY 2020-21 are as follows:

Operational Highlights

Your Company is the transmission and distribution business arm of the Adani Group, one of India's largest business conglomerates. Adani Transmission Limited (ATL) is the country's largest private transmission company with a cumulative transmission network of ~ 18,801 ckt km and cumulative transformation capacity of ~ 36,766 MVA, out of which~ 13,027 ckt km and ~ 18,455 MVA is operational and ~ 5,774 ckt km and 18,311 MVA is at various stages of construction. ATL also operates a distribution business serving about 3 Million+ customers in Mumbai. With India's energy requirement set to quadruple in coming years, ATL is fully geared to create a strong and reliable power transmission network and work actively towards serving retail customers and achieving 'Power for All' by 2022.

Your Company has evolved over the past few years. Your Company's two acquisitions (Alipurduar Transmission Limited and Warora-Kurnool Transmission Limited) during the year will bolster its pan-India presence, consolidating further its position as the largest private sector transmission company in India and moving it closer to its goal of 20,000 ckt km of transmission lines by 2022. Your Company is constantly benchmarking to be the best-in-class and is pursuing focused approach to be world-class integrated utility through development agenda coupled with de-risking of strategic and operational aspects, capital conservation, ensuring high credit quality and forging strategic partnerships for business excellence and high governance standards. Your Company is maintaining 24x7 quality power supply despite challenges posed by health and pandemic issues. The journey towards robust ESG framework and practicing culture of safety is integral to its pursuit for enhanced long-term value creation for all stakeholders.

The following are some of the operational highlights for FY 21 –

- Added 3,931 ckt km to transmission network in FY21 on account of organic and inorganic growth taking total network to ~ 18,801 ckt km.
- Strong Transmission system availability at more than 99.87%.
- Distribution business ensured more than 99.99% supply reliability despite challenges on ground.
- Distribution losses were at 7.82% vs 7.37% in FY20.
- Achieved more than 100% collection efficiency at AEML in FY21.

Financial Highlights:

Consolidated Performance on YoY basis -

Stable Transmission business delivered operational revenue of ₹2,792 Crore and operational EBITDA of ₹2,574 Crore in FY 21 translating into strong margin of 92%.

Distribution business operational EBITDA grew by 5% in FY21, in spite of 20% decline in operational revenue

Performance highlights -

- Cash Profit of ₹2,929 Crore, up 45%
- PAT at ₹1,290 Crore, up 82%
- EPS at ₹9.02 vs. ₹2.94 in FY20; up 207% YoY
- Consolidated Operational EBITDA at ₹4,233 Crore vs. ₹4,055 Crore in FY20, up 4%
- Transmission Operational EBITDA at ₹2,574 Crore, up 4% with a margin of 92%
- Distribution Operational EDITDA at ₹1659 Crore, up 5%

Standalone Financial Results:

On standalone basis, your Company registered total revenue of ₹1,434.66 Crore in FY21 as compared to ₹1653.62 Crore in FY 20.

The detailed operational performance of your Company has been comprehensively discussed in the Management Discussion and Analysis Report which forms part of this Report.

Organisational Initiatives in response to COVID-19 situation

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

Dividend

The Board of Directors of your company, after considering holistically the relevant circumstances and keeping in view the tremendous growth opportunities that your company is currently engaged with, has decided that it would be prudent not to recommend any Dividend for the year under review.

Fixed Deposits

During the year under review, your Company has not accepted any fixed deposits within the meaning of Section 73 of the Companies Act, 2013 and the rules made there under.

Non-Convertible Debentures

During the year under review, your Company has redeemed / bought back 3,750 Rated, Listed, Taxable, Secured, Redeemable, Non-Convertible Debentures of the face value of ₹10 Lakhs each issued on private placement basis.

In view of the same, as on 31st March, 2021, no Rated, Listed, Taxable, Secured, Redeemable, Non-Convertible Debentures were outstanding on the Wholesale Debt Market Segment of BSE Limited.

Particulars of loans, guarantees or Investments

The provisions of Section 186 of the Companies Act, 2013, with respect to a loan, guarantee or security are not applicable to the Company as the Company is engaged in providing infrastructural facilities which is exempted under Section 186 of the Companies Act, 2013. The details of investments made by the Company during the year under review are disclosed in the financial statements.

Subsidiaries, Joint Ventures and Associate Companies

Your Company had 28 direct subsidiaries as on 31st March, 2020. During the year under review, the following companies were acquired / incorporated -

Acquired –

- Kharghar Vikhroli Transmission Private Limited from Maharashtra State Electricity Transmission Company Limited.
- Alipurduar Transmission Limited from Kalpataru Power Transmission Limited.
- Warora-Kurnool Transmission Limited from Essel Infra projects Limited

New incorporations -

- Adani Transmission Step-One Limited as a wholly owned subsidiary Company.
- AEML SEEPZ Limited as a wholly owned subsidiary Company of Adani Electricity Mumbai Limited a material subsidiary of the Company.

In view of the above, the total number of subsidiaries as on 31st March, 2021 was 33.

There are no associate companies or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

Pursuant to the provisions of Section 129, 134 and 136 of the Companies Act, 2013 read with rules framed there under and pursuant to Regulation 33 of the SEBI Listing Regulations, the Company had prepared consolidated financial statements of the company and its subsidiaries and a separate statement containing the salient features of financial statement of subsidiaries, joint ventures and associates in Form AOC-1 which forms part of the Annual Report.

The annual financial statements and related detailed information of the subsidiary companies shall be made available to the shareholders of the holding and subsidiary companies seeking such information on all working days during business hours. The financial statements of the subsidiary companies shall also be kept for inspection by any shareholder/s during working hours at the Company's registered office and that of the respective subsidiary companies concerned. In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on our website www.adanitransmission.com Details of developments of subsidiaries of the Company are covered in the Management's Discussion and Analysis Report forms part of this Report.

Directors and Key Managerial Personnel

Pursuant to the requirements of the Companies Act, 2013 and Articles of Association of the Company, Mr. Anil Sardana (DIN: 00006867) is liable to retire by rotation and being eligible offers himself for re-appointment.

During the year under review, Mr. Kaushal G. Shah resigned as Chief Financial Officer of the Company with effect from 2nd February, 2021.

The Company has received declarations from all the

Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and the SEBI Listing Regulations and there has been no change in the circumstances which may affect their status as independent director during the year.

The Board recommends the aforesaid re-appointment of director for your approval.

Brief details of Director proposed to be re-appointed as required under Regulation 36 of the SEBI Listing Regulations are provided in the Notice of Annual General Meeting.

Currently, the promoter group of the Company is holding 74.92% equity stake of the Company which is within the statutory limits as prescribed by Securities and Exchange Board of India. Further, the composition of the board of directors of the Company comprises judicial mix of 2 (Two) Promoter Directors, 3 (Three) independent directors and 1 (One) professional Managing Director and CEO, thereby ensuring the requirement of having 50% Board being Independent. The ownership and board governance structure(s) of the Company are independent to each other and the functioning of the Board as a collective body is primarily driven by theory of fiduciary duties of director thereby ensuring effectively protecting the interests of minority shareholders and long term value creation for its stakeholders.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, state the following:

a. that in the preparation of the annual financial statements, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. that such accounting policies have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st Mach, 2021 and of the Profit/ Loss of the Company for the year ended on that date;

c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. that the annual financial statements have been prepared on a going concern basis;

e. that proper internal financial controls were in place and that the financial control were adequate and were operating effectively;

f. that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Policies

The updated policies adopted by the Company as per statutory and governance requirements are uploaded on website of the Company at https://www.adanitransmission.com/investors/corporate-governance

Number of Board Meetings

The Board of Directors met 4 (four) times during the year under review. The details of board meetings and the attendance of the Directors are provided in the Corporate Governance Report which forms part of this report.

Independent Directors' Meeting

The Independent Directors met on 4th February, 2021, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of non-independent directors and the Board as a whole; the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Board Evaluation

The Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc.

The evaluation of the Board is conducted internally by means of peer appraisal annually as per statutory requirements.

Internal Financial Control System and their Adequacy

The details in respect of internal financial control and their adequacy are included in the Management and Discussion & Analysis, which forms part of this report.

Risk Management

The Board of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls.

Committees of Board

Details of various committees constituted by the Board of Directors as per the provisions of the SEBI Listing Regulations and Companies Act, 2013 are given in the Corporate Governance Report which forms part of this report.

Corporate Social Responsibility & Sustainability

The Company has constituted a Corporate Social Responsibility & Sustainability (CSR&S) Committee and has framed a CSR Policy. The brief details of (CSR&S) Committee are provided in the Corporate Governance Report. The Annual Report on CSR activities is annexed to this Report. The CSR Policy is available on the website of the Company at https://www.adanitransmission.com/investors/corporate-governance

Till 2017-18, we were preparing a separate Annual Report and Sustainability Report. This is the third year that we have combined both the reports into one, presenting financial and non-financial metrics in an integrated report, for a more holistic picture of our purpose, performance and prospects.

Corporate Governance and Management Discussion and Analysis Report

Separate reports on Corporate Governance compliance and Management Discussion and Analysis as stipulated by the SEBI Listing Regulations form part of this Annual Report along with the required Certificate from Practising Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated.

In compliance with Corporate Governance requirements as per the SEBI Listing Regulations, your Company has formulated and implemented a Code of Business Conduct and Ethics for all Board members and senior management personnel of the Company, who have affirmed the compliance thereto.

Business Responsibility Report

The Business Responsibility Report for the year ended 31st March, 2021 as stipulated under Regulation 34 of the SEBI Listing Regulations is annexed which forms part of this Annual Report.

Prevention of Sexual Harassment at Workplace

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

Annual Return

The Annual Return of the Company as on 31st March, 2021 is available on the Company's website and can be accessed at https://www.adanitransmission.com/-/media/Project/Transmission/Investor/documents/Annual-Return/ATL-Form_MGT-7---2021-for-website.pdf

Related Party Transactions

All the related party transactions entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Your Company had not entered into any transactions with related parties which could be considered material in terms of Section 188 of the Companies Act, 2013. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC 2 is not applicable.

During the year under review, your Company has reported transactions with related party which are material as per Regulation 23 of the SEBI Listing Regulations and the details of the said transactions are provided in the Annexure to Notice of the Annual General Meeting.

Note on the material related party transaction carried forward by the Company as per Annexure forming part of the AGM notice –

- This amount was invested in ATL by Adani Infra (India) Limited to support acquisition of Adani Electricity Mumbai Limited's (AEML) Business which is in the Gateway city/Financial Capital of India and is considered as a marquee asset for the Company's entry into retail electricity distribution business. To support this acquisition for sustainable growth with proper Debt: Equity mix, the Promoter group which is already holding 74.92% in the Company, had to be approached by management for urgent financial assistance in the manner that its recognised as an equity instrument for lenders to support with their corporate financing. Basis negotiations, the Promoters agreed to contribute significant sum of equity alike instrument, with reasonable equity returns on the amount and agreeing to deeply subordinate the sum provided, in the form of Perpetual Equity. Accordingly, the sum provided accrues 11.80% p.a. return on the same with mutually agreeable payment terms. The original sum contributed along with carrying costs can only be paid only against the equity sum to be mobilised by the Company. Thus the amount received is from related party but it's a facilitation sum that the Company needed for marquee acquisition and is rather a huge support lent by Promoter.

Significant and Material Orders Passed by the Regulators or Courts or Tribunals Impacting the Going Concern Status of the Company

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations.

Insurance

The Company has taken appropriate insurance for all assets against foreseeable perils.

Auditors & Auditors' Report

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with rules made thereunder, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) hold office as the Statutory Auditors of the Company until the conclusion of the ensuing 10th Annual General Meeting (AGM) to be held in the year 2023.

The Notes to the financial statements referred in the Auditors Report are self-explanatory. There are no qualifications or reservations or adverse remarks or disclaimers given by Statutory Auditors' of the Company and therefore do not call for any comments under Section 134 of the Companies Act, 2013. The Auditors' Report is enclosed with the financial statements in this Annual Report.

Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Company has appointed M/s. Chirag Shah & Associates, Company Secretaries to undertake the Secretarial Audit of the Company. Secretarial Audit Reports for FY 2020-21 of the Company and its material subsidiaries are annexed, which forms part of this report as **Annexure-A**. There were no qualifications, reservation or adverse remarks given by Secretarial Auditors of the Company.

As per the requirements of the Listing Regulations, Practicing Company Secretaries of the respective material subsidiaries of the Company have undertaken secretarial audits of these subsidiaries for FY21. The Secretarial Audit Report confirms that the material subsidiaries have complied with the provisions of the Act, Rules, Regulations and Guidelines and that there were no deviations or non-compliances and forms part of this Annual Report.

Particulars of Employees

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in separate annexure forming part of this Report as **Annexure-B.**

The statement containing particulars of employees as required under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be provided upon request. In terms of Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company. If any member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, as amended from time to time is annexed to this Report as **Annexure-C.**

Acknowledgement

Your Directors are highly grateful for all the guidance, support and assistance received from the Government of India, various State Governments, Financial Institutions and Banks. Your Directors thank all shareowners, esteemed customers, suppliers and business associates for their faith, trust and confidence reposed in the Company.

Your Directors also wish to place on record their sincere appreciation for the dedicated efforts and consistent contribution made by the employees at all levels, to ensure that the Company continues to grow and excel.

For and on behalf of the Board of Directors

Gautam S. Adani
Chairman
(DIN: 00006273)

Place: Ahmedabad
Date: 6th May, 2021

Annexure – A
to the Directors' Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members,
Adani Transmission Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ADANI TRANSMISSION LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit by using appropriate Information technology tools like virtual data sharing by way of data room and remote desktop access tools, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. The physical Inspection or Verification of documents and records were taken to the extent possible:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made hereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the Company during the Audit Period);

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, (Not Applicable to the Company during the Audit Period);

(i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(vi) Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:

(a) The Electricity Act, 2003

(b) The Grid Code, the grid connectivity standards applicable to the Transmission Line and the sub-station as per the Central Electricity Authority (Technical Standards for Connectivity to the Grid) Regulations, 2007, Central Electricity Authority (Technical Standards for Construction of Electrical Plants and Electric Lines) Regulations, 2010.

We have also examined compliance with the applicable clauses of the following:

(a) Secretarial Standards issued by The Institute of Company Secretaries of India.

(b) The Listing Agreements entered into by the Company with Stock Exchanges;

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, Universal Trade and Investments Ltd ("UT") was part of the promoter group of the Company. Further, 100% shares of UT have been acquired by Total Renewables SAS, France ("Investor") from Dome Trade and Investments Limited, Mauritius ("Seller") on 15th January, 2021 ("Transaction"). UT was not holding any equity share capital of the Company as on that day. Pursuant to the aforesaid Transaction (i.e. acquisition of 100% shares in UT by the Investor), UT has now become part of the Total Group, and is consequently no longer part of the promoter group of the Company. The Company made a disclosure of such communication to the Stock Exchanges under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 on 25th January, 2021.

We further report that

1. during the audit period, the Company has passed the following Special Resolutions-

   i. Approval of offer or invitation to subscribe to Securities for an amount not exceeding ₹2,500 Crores.

   ii Approval for Shifting of Registered Office outside the local limits of the city, but within the same state.

CS **Chirag Shah**
Partner
Chirag Shah and Associates
FCS No. 5545
C P No.: 3498
UDIN :F005545C000223928

Place: Ahmedabad
Date: 6th May, 2021

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure - A
to the Secretarial Audit Report

To
The Members,
Adani Transmission Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

CS Chirag Shah
Partner
Chirag Shah and Associates
FCS No. 5545
C P No.: 3498

Place: Ahmedabad
Date: 6th May, 2021

Form No. MR-3
SECRETARIAL AUDIT REPORT
for the financial year ended 31st March, 2021

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members,
Adani Electricity Mumbai Limited
Adani Corporate House, Shantigram, Near Vaishno Devi Circle,
S. G. Highway, Khodiyar
Ahmedabad 382421

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Adani Electricity Mumbai Limited (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of Adani Electricity Mumbai Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board–processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:-

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder- Not Applicable.;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')- Not Applicable;
   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client;
   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulation, 2009; and
   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

6. Other laws specifically applicable to the company:-
   - The Electricity Act, 2003 and the rules & regulations made thereunder;

The adequate systems and processes are in place to monitor and ensure compliance with general laws like labour laws, environmental laws etc. to the extent of their applicability to the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors, Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provision of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, there are instance of holding meeting at shorter notice with the consent of the Board of Directors, and system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period following Circular Resolution were passed by Board of Directors for-

i) 30.06.2020 for Approval of Audited Special Purpose Combined Financial Statements of "the Obligor Group", comprising of the Company ('AEML') and Power Distribution Services Limited ('PDSL') for the year ended 31st March, 2020.

ii) 01.07.2020 for Appointment of Mr. Quinton Choi as an Additional Director (Non-Executive & Non independent) of the Company.

iii) 20.10.2020 to consider execution of an agreement in pursuance of SHA between ATL and QHL (QIA) by and between Adani Electricity Mumbai Limited (AEML or the Company), Adani Transmission Limited (ATL) and Adani Electricity Mumbai Infra Limited (AEMIL) for transfer of HVDC Project to ATL either directly or following an intermediate transfer to a subsidiary company of ATL

iv) 22.10.2020 for Appointment of Mr. Kenneth McLaren as an Additional Director (Non-Executive & Non-independent) of the Company

v) 14.11.2020 for Incorporation of a new Wholly Owned Subsidiary company.

vi) 16.12. 2020 for Approval of Unaudited Special Purpose Combined Condensed Interim Financial Information of "the Obligor Group", comprising of the Company ('AEML') and Power Distribution Services Limited ('PDSL') for the period ended 30th September, 2020

vii) 21.01.21 for Issuance of Authorization as a technical affiliate to Adani Transmission Limited in its proposed bidding opportunities for purchase of One Hundred Percent (100%) Equity Shares in Distribution Company responsible for distribution and retail supply of electricity and having distribution license in Chandigarh Union Territory Power Distribution as per the terms of the Request for Proposal (RFP).

viii) 21.01.21 for issuing an Authorization for use by Adani Transmission Limited of such technical capability of the Company for the Bid for selection of Bidder for purchase of fifty one per cent [51%] shares in Distribution Company responsible for distribution and retail supply of electricity and having distribution license in Union Territory of Dadra and Nagar Haveli and Daman and Diu in response to RFP dated 8th December 2020

We further report that, during the audit period following special resolutions have been passed by the company for-

i) Shifting of the registered office of the company outside the local limits pursuant to Section 12(5) of the Companies Act, 2013.

For Ashita Kaul & Associates
Company Secretaries

Date: 03/05/2021
Place: Mumbai

Proprietor
FCS 6988/ CP 6529

Note: We have conducted online verification & examination of records as facilitated by the Company, due to Covid-19 and subsequent lockdown situation for the Purpose of Issuing the Report.

Annexure to Secretarial Audit Report issued by Company Secretary in Practice (Qualified/Non-Qualified)

To
The Members,
Adani Electricity Mumbai Limited
Adani Corporate House, Shantigram, Near Vaishno Devi Circle,
S. G. Highway, Khodiyar
Ahmedabad 382421

Our report of the event is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on a test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date: 03/05/2021

Ashita Kaul
Practising Company Secretary
Membership No.: 6988
Certificate of Practice No.6529

Place: Mumbai
UDIN: F006988C000215130

Form No. MR-3

SECRETARIAL AUDIT REPORT

for the financial year ended 31st March, 2021

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members,
Maharashtra Eastern Grid Power Transmission Company Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Maharashtra Eastern Grid Power Transmission Company Limited (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives in the conduct of secretarial audit during the pandemic of COVID 19 situation across the country, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not Applicable to the Company during the Audit Period);

iii) The following laws, rules and the regulations as identified by the management are specifically applicable to the company.

LEGISLATION NAME	
1.	The Electricity Act, 2003
2.	The Grid Code, the grid connectivity standards applicable to the Transmission Line and the sub-station as per the Central Electricity Authority (Technical Standards for Connectivity to the Grid) Regulations, 2007, Central Electricity Authority (Technical Standards for Construction of Electrical Plants and Electric Lines) Regulations, 2010.

I have also examined compliance with the applicable clauses of the following:

a. Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to filing of certain e-forms with additional fees.

The company was not required to comply with the provision of other regulation listed in the Form No. MR-3 prescribed under the companies Rules, 2014 as there were no instance/ events falling within the preview of these regulations during the financial year.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company has:

1. Passed a special resolution for shifting of Registered office of the Company within the same state.

Place: Ahmedabad
Date: 5th May, 2021
UDIN: F001640C000242683

CS Ashwin Shah
Company Secretary
C. P. No. 1640

Note: This report is to be read with our letter of even date which is annexed as 'Annexure-A' and forms an integral part of this report.

'Annexure-A'

To
The Members,
Maharashtra Eastern Grid Power Transmission Company Limited

Our report of even date is to be read along with this letter

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Ahmedabad
Date: 5th May, 2021
UDIN: F001640C000242683

CS Ashwin Shah
Company Secretary
C. P. No. 1640

Form No. MR-3
SECRETARIAL AUDIT REPORT
for the financial year ended 31st March, 2021

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members,
ADANI TRANSMISSION (INDIA) LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ADANI TRANSMISSION (INDIA) LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit by using appropriate Information technology tools like virtual data sharing by way of data room and remote desktop access tools, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made herein after. The physical Inspection or Verification of documents and records were taken to the extent possible:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') (Not Applicable to the company during the Audit period):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

  (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations 2018; and

  (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) Laws specifically applicable to the industry to which the company belongs, as identified by the management, that is to say:

(a) The Electricity Act, 2003

(b) The Grid Code, the grid connectivity standards applicable to the Transmission Line and the sub-station as per the Central Electricity Authority (Technical Standards for Connectivity to the Grid) Regulations, 2007, Central Electricity Authority (Technical Standards for Construction of Electrical Plants and Electric Lines) Regulations, 2010.

We have also examined compliance with the applicable clauses of the following:

(a) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For, Chirag Shah & Associates

Raimeen Maradiya
Partner
ACS No: 43050
C P No: 17554

Place: Ahmedabad
Date: 05.05.2021
UDIN: A043050C000223956

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure-A'

To
The Members,
ADANI TRANSMISSION (INDIA) LIMITED

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtain from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, Chirag Shah & Associates

Raimeen Maradiya
Partner
ACS No: 43050
C P No: 17554

Place: Ahmedabad
Date: 05.05.2021
UDIN: A043050C000223956

Annexure – B
to the Directors' Report

[Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the FY 2020-21 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the FY 2020-21:

Name of Directors / KMP	Ratio of remuneration to median remuneration of Employees	% increase in remuneration in the financial year
Executive Directors		
Mr. Gautam S. Adani, Chairman	N.A.	N.A.
Mr. Rajesh S. Adani, Director	N.A.	N.A.
Mr. Anil Sardana, Managing Director & CEO	N.A.	N.A.
Non-Executive & Independent Directors		
Mr. K. Jairaj[1]	0.66:1	-
Mrs. Meera Shankar[1]	0.51:1	-
Dr. Ravindra H. Dholakia[1]	0.51:1	-
Key Managerial Personnel		
Mr. Kaushal G. Shah, CFO[2]	N.A.	N.A.
Mr. Jaladhi Shukla, CS	N.A.	N.A.

1. Reflects directors' sitting fees.
2. Resigned w.e.f. 2nd February, 2021
3. Executive Directors and KMPs are not drawing any remuneration from the Company.

ii) The percentage increase in the median remuneration of employees in the financial year: 8%

iii) The number of permanent employees on the rolls of Company: 5,285 permanent employees on consolidated basis as on 31st March, 2021.

iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

- Average increase in remuneration of employees excluding KMPs: 8%
- Average increase in remuneration of KMPs: Not Applicable

v) Affirmation that the remuneration is as per the Remuneration Policy of the Company:

The Company affirms remuneration is as per the Remuneration Policy of the Company.

Annexure – C
to the Directors' Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of Energy:

(i) Steps taken or impact on conservation of energy:

- Replacement of all the halogen lamps with LED.
- Fixing of A.C. temperatures at 23 Degree Celsius to maintain balance of cooling without extra unnecessary consumption.
- Switching of space heaters in Marshalling boxes, BMK etc. during winters.
- Awareness among the staffs to avoid Energy wastage.
- High efficiency lighting control, motors, pumps, fans & ACs installed with BEE Rating/Five star to reduce the Auxiliary Power Consumption
- Replace compact florescent lamp (CFL) with LED device
- Black film on windows with firm packing to prevent cooling loss, thereby providing more efficiency for Air conditioner.

(ii) Steps taken by the company for utilizing alternate sources of energy:

We have installed renewable energy source (Solar) as an alternate source of energy.

(iii) Capital investment on energy conservation equipment:

NIL

B. Technology Absorption:

O&M:

- Adopting the best technologies in our business is essential in ensuring and maintaining global benchmarks in performance. We ensure this through our in house engineering and adopting best technologies available in the market.
- We have commissioned 400/220/132 KV GIS Substation at Badaun, UP under Obra-C Transmission Line for the first time in ATL.

CQA:

- Android based QA observation application development is in process to capture, analyze & monitor real time quality observations.
- Remote inspection initiated for Vendor assessment & FAT activities. Pro module development is under progress.
- Drone based stringing inspection initiated in GTL & FBTL SPV successfully.

HSE:

- Mobile Application to display contract employee data with scan of QR Code from Contract Employee Id Card – Under progress
- Monitoring of Safety aspects through smart wearables – Under Progress
- Automation in the data collation of MIS – Under Progress
- Smart and Advanced Analytics – Under Progress

  a. On Gensuite Data

  b. On Safety Data Collated from Sites

  c. On concerns and incidents reported on safety

IT:

- 18 Projects related to SAP Development Completed.
- 6 Projects related RPA/BOT Completed.
- 11 Projects related to BI/ BO Reports Completed.

C. Foreign Exchange Earnings and Outgo:

The particulars relating to foreign exchange earnings and outgo during the year under review are as under:

(₹ in Crores)

Particulars	FY-2020-21	FY-2019-20
Foreign exchange earned	--	--
Foreign exchange outgo	335.57	175.73

Annexure to the Directors' Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES AS PER SECTION 135 OF THE COMPANIES ACT, 2013 FOR FY 21.

1	Brief outline on CSR Policy of the Company	:	The Company has framed Corporate Social Responsibility (CSR) Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of the society. The CSR Policy has been uploaded on the website of the Company at https://www.adanitransmission.com/investors/corporate-governance

2 Composition of CSR Committee :

Sr. No.	Name of Director	Designation/ Nature of Directorship	No. of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
1	Mr. Rajesh Adani	Chairman	02	02
2	Mr. Anil Sardana	Member	02	02
3	Mr. K Jairaj	Member	02	02

3	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.	:	https://www.adanitransmission.com/-/media/Project/Transmission/Investor/documents/Policies/ATL-CSR-Report.pdf
4	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).	:	Not Applicable
5	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.	:	Not Applicable
6	Average net profit of the company as per section 135(5) for last three financial years.	:	₹11.64 Crore
7	a Two percent of average net profit of the company asper section 135(5)	:	₹0.23 Crore
	b Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	:	Nil
	c Amount required to be set off for the financial year, if any	:	Nil
	d Total CSR obligation for the financial year 20-21 (7a+7b-7c)	:	₹0.23 Crore

8 a CSR amount spent or unspent for the financial year FY 2020-21 : As per below given table.

Total Amount Spent for the Financial Year. (in ₹)	Amount unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
0.23 Crore	N.A.	N.A.	N.A.	N.A.	N.A.

b Details of CSR amount spent against ongoing projects for the FY 2020-21 : Not Applicable

c Details of CSR amount spent against other than ongoing projects for the FY 2020-21. : As per below given table

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes / No)	Location of the Project		Amount spent for the project	Mode of Implementation - Direct (Yes/No).	Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Reg. No.
1	Mobile Health-care Unit	(i) Promoting Health care	Yes	Rajasthan	Kawai	₹0.23 Crore	No	Adani Foundation (No. CSR00000265)	

d Amount spent in Administrative Overheads : Nil

e Amount spent on Impact Assessment, if applicable : Nil

f Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹0.23 Crore

g Excess amount for set off, if any : N.A.

Sr. No.	Particulars	Amount
(i)	Two percentage of average net profit of the company as per section 135(5)	₹0.23 Crore
(ii)	Total amount spent for the Financial Year	₹0.23 Crore
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9 a Details of Unspent CSR amount for the preceding three financial years : Not Applicable

b Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) : Not Applicable

10 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). : Not Applicable

a Date of creation or acquisition of the capital asset(s). : Not Applicable

b Amount of CSR spent for creation or acquisition of capital asset : Not Applicable

	c	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	: Not Applicable
	d	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	: Not Applicable
11	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).		: Not Applicable

Anil Sardana
Managing Director & CEO
(DIN: 00006867)

Rajesh S. Adani
Director & Chairman CSR Committee
(DIN : 00006322)

Annexure to the Directors' Report

Management Discussion and Analysis

Global economic overview

The global economy reported de-growth of 3.5% in 2020 compared to 2.9% in 2019, the sharpest contraction since World War II. This steep decline in global economic growth was largely due to the outbreak of the novel coronavirus and the consequent suspension of economic activities across the world. This led to global supply chain disruptions, resulting in a de-growth in some of the largest global economies.

Global FDI reported a significant decline from USD 1.5 Trillion in 2019 to USD 859 Billion in 2020, the lowest since the 1990s and more than 30% below the investment trough that followed the 2008-09 global financial meltdown.

Performance of some major economies

United States: The country witnessed a GDP de-growth of 3.4% in 2020 compared to a growth of 2.3% in 2019.

China: The country's Gross Domestic Product grew 2.3% in 2020 compared to 6.1% in 2019 despite being the epicentre of the outbreak of the novel coronavirus.

United Kingdom: Britain's GDP shrank 9.9% in 2020 compared to 1.4% growth in 2019, 2x the annual contraction recorded in the aftermath of the global meltdown in 2009.

Japan: Japan witnessed a contraction of 4.8% in 2020, the first instance of a contraction since 2009. (Source: CNN, IMF, Economic Times, trading economics, Statista, CNBC)

Global economic growth

The global economy is projected to grow by 5.5% in 2021 largely due to the successful roll-out of vaccines across the globe, coupled with policy support in large economies. (Source: IMF)

Year	2016	2017	2018	2019	2020 (E)
Real GDP growth (%)	3.1	3.8	3.6	2.9	(3.5)

(Source: IMF; E: Estimated)

Indian economic review

The Indian economy passed through one of the volatile periods in living memory in FY 2020-21.

The Indian government announced a complete lockdown in public movement and economic activity from the fourth week of March 2020. As economic activity came to a grinding halt, the lockdown had a devastating impact on an already-slowing economy as 1.38 Billion Indians were required to stay indoors - one of the most stringent lockdowns enforced in the world.

The outbreak of the novel coronavirus and the consequent suspension of economic activities due to the pandemic-induced lockdown, coupled with muted consumer sentiment and investments, had a severe impact on the Indian economy during the first quarter of the year under review. The Indian economy de-grew 23.9% in the first quarter of FY 2020-21, the sharpest de-growth experienced by the country since the index was recorded.

The Indian and state governments selectively lifted controls on movement, public gatherings and events from June 2020 onwards, each stage of lockdown relaxation linked to corresponding economic recovery. Interestingly, the recovery was not merely linear but across-the-board. As controls relaxed what the country observed was a new normal: individuals were encouraged to work from home; inter-city business travel was replaced by virtual engagement; a greater premium was placed on the ownership of personal mobility modes (cars and two-wheelers); there was a sharp increase in home purchase following the need to accommodate an additional room for home working.

The result is that India's relief consumption, following the lifting of social distancing controls, translated into a full-blown economic recovery. A number of sectors in India – real estate, steel, cement, home building products and consumer durables, among others - reported unprecedented growth. India de-grew at a relatively improved 7.5% in the July-September quarter and reported 0.4% growth in the October-December quarter and a projected 2% growth in the last quarter of the year under review.

The result is that India's GDP was optimated to have contracted 8% during FY 2020-21, largely on account of the sharp depreciation of the first two quarters. This sharp Indian recovery – one of the most decisive among major economies – has validated India's robust long-term consumption potential.

Y-o-Y growth of the Indian economy

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Real GDP growth (%)	7	6.1	4.2	-8.5E

Growth of the Indian economy, 2020-21

	Q1, FY 2020-21	Q2, FY 2020-21	Q3, FY 2020-21	Q4, FY 2020-21
Real GDP growth (%)	(23.9)	(7.5)	0.4	2.0E

(Source: Economic Times, IMF, EIU, Business Standard, McKinsey)

Indian economic reforms and recovery

India began to report improving Goods and Services Tax (GST) collections month-on-month in the second half of FY 2020-21 following the relaxation of the lockdown.

The per capita income was estimated to have declined by 5% from ₹1.35 Lakh in 2019-20 to ₹1.27 Lakh in FY 2020-21.

A slowdown in economic growth and inflation reflected on the country's currency rate; the Indian rupee was one of the worst performers among Asian peers, marked by a depreciation of nearly 2.83% in 2020 from ₹71.28 to ₹73.30 to a US dollar before recovering towards the close of the financial year.

Despite the gloomy economic scenario, foreign direct investments (FDI) in India increased 13% to USD 57 Billion in 2020, the digital sector being the biggest catalyst.

The gap between government expenditure and revenue was estimated at ~₹12 Trillion due to increased borrowing by the government in May 2020 to deal with the COVID-19 outbreak.

India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking and is the only country in the emerging market basket that received positive FPIs of USD23.6 Billion in 2020, ranking eighth among the world's top stock markets with a market capitalisation of USD2.5 Trillion in 2020.

The Indian government initiated structural reforms in agriculture, labour laws and medium-small enterprise segments. The labour reforms were intended to benefit MSMEs increase employment, enhance labour productivity and wages.

India extended the Partial Credit Guarantee Scheme by relaxing the criteria and allowing state-owned lenders more time to purchase liabilities of shadow banks.

Under the ₹45,000 Crore partial credit guarantee scheme, announced as a part of the Atmanirbhar Bharat package, three additional months were given to banks to purchase the portfolio of non-banking financial companies.

The government approved amendments to the Essential Commodities Act and brought an ordinance to allow farmers to sell their crop to anyone; the changes to the Essential Commodities Act, 1955, is intended to 'deregulate' agricultural commodities (cereals, pulses, oilseeds, edible oils, onions and potatoes from stock limits). The government approved the Farming Produce Trade and Commerce (Promotion and Facilitation) Ordinance, 2020, to ensure barrier-free trade in agriculture produce.

The Government relaxed foreign direct investment (FDI) norms for sectors like defence, coal mining, contract manufacturing and single-brand retail trading.

The Union Cabinet approved the production-linked incentive (PLI) scheme for 10 sectors: pharmaceuticals, automobiles and auto components, telecom and networking products, advanced chemistry cell batteries, textile, food products, solar modules, white goods, and specialty steel. These incentives could attract investments in modern technology, catalysing India's journey towards becoming a global player.

Outlook

The outlook for the country appears to be positive in view of the possibility that three down cycles – long-term, medium-term and short-term – could well be reversing at the same time. The long-term downtrend, as a result of non-performing assets, scams and overcapacity could be over; the medium-term downtrend was caused by the ILFS crisis, select banks collapse as well as affected NBFCs and companies; the short-term downtrend was on account of the pandemic.

There is a possibility of each of these downtrends having played out that could well lead to a multi-year revival in capital investments. Besides, a change in the US leadership could result in a revival in global, trade, benefiting Indian exporters.

The Indian economy is projected to grow by more than 10% in FY22, making it one of the fastest-growing economies. India's growth journey could be the result of a culmination of favourable tailwinds like consistent agricultural performances, flattening of the COVID-19 infection curve, increase in government spending and favourable policies and the quick-roll out of the vaccine, among others.

Over the last decade and a half, electricity demand was nearly static in developed economies despite economic growth. Nearly 93% of the worldwide net growth in power demand originated in emerging and developing economies (58% from China). After a sluggish 2020 on account of the pandemic, power demand in 2021 can rise 3% to levels even higher than 2019, the additional demand coming out of the Asia-Pacific (mainly China, India and Southeast Asia).

The demand for electricity dropped to its lowest during the lockdown in 2020, with a steep decline in services and industry operations only partially offset by a higher residential use. With lockdowns easing in Italy and Germany in April 2020, electricity demand showed the first signs of a recovery and the trend was confirmed in May 2020 as countries like India, France, Spain and Great Britain softened their lockdown measures. In June and July 2020, electricity demand, with weather alterations, stood at 10% and 5% respectively below the 2019 level of those months in most countries except India, where the recovery was marked. In August 2020, the sustained recovery in electricity demand for EU countries brought consumption close to their 2019 levels, though some restriction measures continued to curb electricity demand in September 2020.

One significant change brought about by the Covid-19 lockdown was the decline in electricity consumption in the industrial and commercial sectors. Between 2005 and 2018, global industries consumed 29% of all electricity generated, followed by the residential segment (22%) and the commercial and services segments (15%). Electrification of the light industry is expected to emerge as the largest growth driver by 2025.

New commitments to develop electrolytic hydrogen production could also significantly increase demand. In the STEPS, about 10 TWh could be used to produce 400,000 Tonnes of oil equivalent (Mtoe) of hydrogen by 2030. Owing to the electrification of heating and cooling and particularly due to a surge in air conditioner offtake in the emerging markets, residential electricity demand is set to grow. Electricity demand in the transport sector could witness an increase by 2030, when 110 Million electric cars and other vehicles account for more than 500 TWh of demand. By 2040, the transportation sector's share in global power demand could rise to 6%, well above 2,000 TWh.

(Source: IEA, Powermag.com)

Indian power sector overview

India comprises one of the most diversified power sectors in the world from conventional sources (coal, lignite, natural gas, oil, hydro and nuclear power) and viable non-conventional sources (wind, solar, and agricultural and domestic waste). To address the increasing demand for electricity, a massive capacity addition is expected to be made in renewable sources.

India is the world's third largest producer and consumer of electricity, with a total installed capacity of 382 GW as of 31st March, 2021. The country witnessed success in its recent energy development, but challenges remain, with the Covid-19 pandemic being a disruption. Over the past few years, hundreds of Millions of Indian citizens received electricity connections in their households.

India per capita electricity consumption comparison

Countries	India	China	USA	Global avg
Per capita electricity consumption (2020)	1,149	3,991	11,730	3,600

(Source: Live Mint, Indexmundi.com)

Total power generation in India over the past few years

Year	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Power generation (in Billion units)	1241.7	1308.1	1376.1	1389.1	1234.4

(Source: Powermin.nic.in)

In India, the gap between thermal and renewables energy reduced following the first lockdown measures, with renewables accounting for more than 30% of all generation by mid-August 2020. Starting end-August the gap started to widen, following a seasonal trend. By the end of November 2020, the share of renewables in the electricity mix was below 20%, which was in line with the pre-Covid19 levels. Since late May 2020, electricity demand recovered and since July 2020, electricity generation was higher in 2020 than in 2019 for the first time since the lockdown.

Energy utilisation in India doubled since 2000, with most of the demand being met by thermal power like coal, oil and solid biomass. India's per capita energy use and emissions are lower than 50% of the global average and so are the rest of the key indicators such as vehicle ownership, steel and cement output. As the country recovers from its Covid-affected situation, it is now re-entering a dynamic period of energy development. Over the coming years, numerous Indian households could buy appliances, air conditioning units and vehicles. India is projected to emerge as the world's most populous country by 2026, overtaking China in the process. The country adds electricity equivalent to that of Los Angeles to its urban population each year. India will need to add a power system equivalent to the size of the European Union to what it has now. With the Indian power sector undergoing a significant change, the industry outlook is redefined. Sustained economic growth continues to drive electricity demand in India. The focus of the Government of India is to achieve 'Power for all' and is working on accelerated capacity addition. (Source: IBEF, EIA, CEA)

Indian power transmission sector

India's transmission capacity has generally trailed its power generation capacity. There is a fresh impetus to widen the country's transmission network in line with growing electricity generation, increased electricity demand, emergence of new urban and semi-urban pockets as well as the emergence of new electricity generation points (especially renewable energy).

India's transmission line capacity stood at 4.42 lacs circuit kilometers (as on March 2021) and inter-regional power transfer capacity of more than 1.05 lacs MW . The country added 16,750 circuit kilometres and 57,575 MVA of transformation capacity during the year under review. The country's national transmission grid needs to be upgraded to accelerate renewable energy adoption. This is a prerequisite for to India to achieve its ambitious renewable energy target of 175 GW by 2022, rising to 450GW by 2030.

Renewable energy resources in India are abundant but unevenly spread. While some of the states have huge potential of wind and solar energy, much of the demand arrives from the states possessing scarce renewable energy, warranting a widening of the national transmission network.

Despite renewable energy's intermittence in the country, balancing is required from peaking power supply, electricity storage (batteries and pumped hydro storage, and/or demand-response technologies), as well strong interstate grid connectivity. The complexities of India's grid indicate that transmission inadequacy represents a hurdle and could stagger the adoption of renewable energy. Besides, there is a growing risk that renewable energy utilisation could be sub-optimal in the absence of grid discipline and a odern transmission network.

Transmission line capacity addition in India over the years

	2017-18	2018-19	2019-20	2020-21
Cumulative Capacity (in circuit kilometers)	3,90,970	4,13,407	4,25,071	4,41,821

(Source: National Power Portal)

Transformation Capacity addition in India over the years

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Cumulative Capacity (in MVA)	8,26,958	8,99,663	9,67,893	10,25,468

(Source: National Power Portal)

To meet the goal of 175 GW by the year 2022, India needs to add extra 1.1 Lakh (110,000) circuit kilometres by FY 2021/22 and adequately absorb the increasing share of variable renewable energy in its electricity mix. Increased competition in the transmission sector could help India achieve the objectives of increasing renewable energy generation, without these assets becoming scattered.

The entry of new transmission players is driving down construction costs, introducing new technologies and promoting timely projects completion. This has also helped India access global debt and equity. Besides, the enhanced valuation of some transmission sector companies is an evidence of how a favourable regulatory framework can catalyse capital investments in India's electricity system transformation. (Source: Ieefa)

The private sector is one of the factors to bring in excessive capital at low cost for building transmission networks, leveraging record low global interest rates that are seeking low-risk, long-dated infrastructure returns. It would also free up state governments' limited resources, which may be allocated for the development of other social sectors like health or education.

A number of states can look forward to move from net electricity import states to net exporters of low cost, zero pollution, zero-emissions electricity, but only with adequate transmission planning given the massive scale of renewable energy investment in planning. Moreover, encouraging distributed hybrid projects for optimal utilization of the transmission network is further projected to drive the transmission tariff down as the costs will be spread across a larger flow of energy units. (Source: PV magazine, IEEFA)

India's energy exports and import

There is a growing optimism that India can import and export power to neighbouring countries, strengthening regional electricity security on the one hand and widening the role of power transmission networks.

Nepal: India and Nepal are radially connected at various places through 11kV, 33kV, 132kV, and 220kV transmission lines. Moreover, for the transfer of bulk power, 400kV of DC transmission line (operated at 220kV voltage level) between Muzaffarpur and Dhalkebar is under operation. About 550MW of power can be supplied to Nepal through these interconnections. With the operation of this link at 400kV, about 950 MW power is projected to be transferred to Nepal.

Bhutan: The key energy exchanges between India and Bhutan are for imports of about 1350MW of power from Tala HEP (1020 MW), 336 MW from Chukha HEP and 60 MW from Kurichu HEP in Bhutan to India through transmission lines of 400kV, 220kV and 132kV lines respectively. For the purpose of power evacuation from a number of Hydro Electric Power plants (HEPs) in Bhutan, two 400kV DC cross border interconnection lines have been completed and under operation. With substantial financing for these links, the power transfer between Bhutan and India would be enhanced to 4,250 MW.

Bangladesh: India and Bangladesh are connected through a 400kV DC transmission line along with two 500 MW high voltage direct current (HVDC) back-to-back terminals at Bheramara, Bangladesh. Moreover, the implementation of 400kV of extra interconnection from Surajmaninagar in Tripura to Comilla in Bangladesh has taken place. In total, these interconnections account for the transfer of power of 1200MW to Bangladesh.

A 400kV DC 2nd line of power connection exists from Baharampur in India to Bheramara in Bangladesh and 400kV operation from Surajmaninagar in Tripura to North Comilla in Bangladesh cross-border link along with 500 MW HVDC back-to-back terminal at North Comilla. This could result in a 1540 MW of power transfer capacity between the two countries. (Source: Economic Times, Ministry of Power)

Government initiatives

Ujjwal Discom Assurance Yojna (UDAY): The electricity distribution companies of India (DISCOMs) in India are lagging in eliminating the gap between the average cost of supply and realisable revenue (ACS-ARR gap), with the gap standing at ₹0.52/ unit in FY21 (data for 23 States). Moreover, as per the UDAY dashboard, the aggregate technical and commercial (AT&C) losses was 23.17% (data for 24 States). The Ujjwal Discom Assurance Yojana (UDAY) is directed at the financial turnaround and revival package for discoms. This initiative expects to add an additional 1 Lakh ckt km of transmission lines and 2.9 Lakh MVA of transformation capacity between 2017 and 2022.

Integrated Power Development Scheme (IPDS): The scheme was launched by the Ministry of Power, Government of India with two primary objectives:

(a) Strengthening of sub-transmission and distribution network in the urban areas and

(b) Metering of transformers/ feeders/ consumers. The Government of India has allocated ₹32,612 Crore under the requirement of budgetary support for this scheme, which is expected to bring further growth in the Indian transmission sector. The component of IT enablement and strengthening of distribution network approved in June 2013 in the form of RAPDRP for the 12th and 13th Plans were subsumed in this scheme and approved with an outlay of ₹44,011 Crore (new IPDS scheme). As per MoP till FY 2019, the IT enablement of 648 towns was completed against a targeted sanctioned project for 4879 towns.

Saubhagya Scheme: The Government of India launched the Pradhan Mantri Sahaj Bijli Har Ghar Yojana with the objective of achieving universal household electrification by March 2019. As per Saubhagya portal on 31st March, 2019 India achieved 99.99% electrification.

Budget allocation: The Union Budget 2021-22 provided ₹3.05 Lakh Crore for India's power distribution, which is to be released over the next five years. This initiative has been aimed at helping the distribution infrastructure development, feeder separation and smart meter installation. However, the Budgetary allocation of ₹1 Lakh was made towards the reform-linked distribution scheme under the Ministry of Power. The new reform scheme is likely to be merged with the two flagship existing schemes for urban and rural reforms — IPDS and DDUGJY – which received ₹3,750 Crore and ₹3,600 Crore respectively from the budget. While the IPDS scheme went through a 1.35% rise in the budgetary outlay, the DDUGJY budget grant increased by 80%.

National Hydrogen Energy Mission: The Finance Minister of India Nirmala Sitharaman proposed to launch the National Hydrogen Energy Mission in the Union Budget 2021-22.

(Source: Business Standard, Downtoearth.org, Economic Times, InvestIndia)

National demand growth drivers

Rising population: The Indian population is anticipated to grow by over 140 Million by year 2036, with the number reaching 1.52 Billion at that point, which could increase the demand for power and transmission in the country.

Increasing urbanisation: Along with the anticipated rise in population, the nation is about to witness a massive expansion in its urbanisation. India's urban population is expected to rise by 70% over the next 15 years.

Renewable energy targets: The increase in urgency driving the global response to climate change is a pivotal theme for the country. In comparison to world's greenhouse gas emissions, India manages to make up a little part of it, but its contributions are getting significant with time. With the aim of achieving 450 GW of renewable energy capacity by 2030 India's energy efficiency is expected to be enhanced.

Green Energy Corridors: Large scale renewable energy integration into the power grid of the country consists mainly of green corridors. The Government has introduced two schemes to create highways for renewable power transmission, which is the Green Energy corridor I and the Green Energy Corridor II. Advance technologies or systems are being implemented in the Green Energy Corridor projects to maintain grid stability. Moreover, the nation is using SVCs and STATCOMs to improve power quality through ensuring of stabilised voltage levels and an improvement in the power transfer capability of the transmission line.

Increased inter-regional demand-supply gap: The gap between demand and supply across regions keeps getting wider as load centres are situated away from conventional generation centres. (Source: The wire, IEA, Economic Times)

Financial overview

Operational revenues: Operational Revenue during the year stood at ₹8,840 crores, as compared to ₹10,237 crores in FY2019-20.

FY21 Operational Revenue and Operational EBITDA doesn't include one-time positive impact of ₹330 Crore. from APTEL order in favor of MEGPTCL SPV of Transmission business. Based on MERC order, the company has recognised one-time revenue of ₹254 Crs in FY20 which doesn't include in FY20 Operational revenue.

Interest and finance costs: Net interest and finance costs decrease by 8% during the year.

Profit after tax: The Company registered a profit after tax of ₹1,289.57 Crore compared to ₹706.49 Crore in the previous year.

Key ratios

Particulars	2019-20	2020-21
Debt-equity ratio	2.55	2.68
Return on equity/Net worth (%)	12.94	19.14
Book value per share (₹)	57.12	65.40
Earnings per share (₹)	2.94	9.02

Company overview

The Adani Group entered into the power transmission sector in 2006, which was well before the formal establishment of Adani Transmission Limited (ATL). This happened largely on account of Adani's Mundra thermal power plant urgent power evacuation requirement. The lines created for evacuation of power expanded to more than 3800 ckt kms, which had connections from Mundra to Dehgam, Mundra to Mahendragarh and Tirora to Warora.

Subsequently, another line extending more than 1200 ckt kms was commissioned in 2014 for power evacuation from Adani's Tiroda power plant. In 2015, looking at the enormous business potential in the transmission sector, Adani Transmission Limited (ATL) demerged from Adani Enterprises Limited (AEL) for a focused pursuit of opportunities in the national power transmission sector. Adani Transmission Limited relied on various inorganic growth options and acquired GMR's transmission assets in Rajasthan in 2016, Reliance Infrastructure's transmission assets in Gujarat, Madhya Pradesh and Maharashtra in 2017 and KEC's Bikaner-Sikar transmission asset in Rajasthan in 2019.

ATL announced its arrival in the power distribution segment with the acquisition of Reliance Infrastructure's power generation, transmission and distribution business acquired in Mumbai in 2018. Servicing over 3 Million customers in Mumbai suburbs and the Thane district, Adani Electricity Mumbai Limited (AEML) enjoys a distribution network of over 400 square kms.

Adani Transmission Limited (ATL) is India's largest private transmission company and with a portfolio of approximately 18,801 ckt kms of transmission lines and more than 36,700 MVA of power transmission capacity . The Company has set an ambitious target to set up 20,000 circuit km of transmission lines by 2022 through organic and inorganic responses.

FY21 includes one-time income of ₹329.52 Crores recognised during the year based on the APTEL order related to April 2015 to March 2020

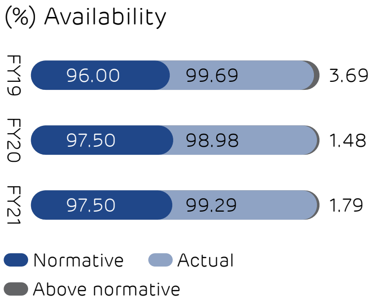
FY20 includes one-time income of ₹254.43 Crores recognised during the year based on the MERC order received

[3] Includes MP Package 1 & 2 won through tariff based competitive bidding, but Letter of Award / Intent is awaited

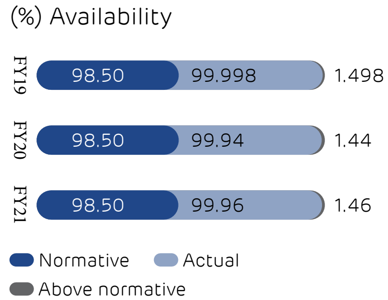
Operating history

ATL has an excellent track-record of receiving incentive payments for maintaining network availability above regulatory requirements, i.e. 99.87% in FY21.

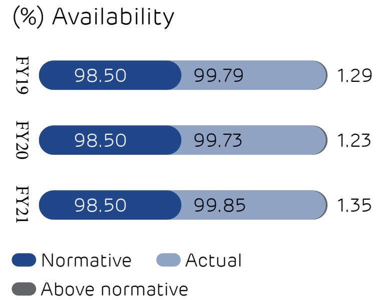
±500 kV Mundra-Mahendragarh HVDC Transmission System (ATIL - Asset-1 HVDC)



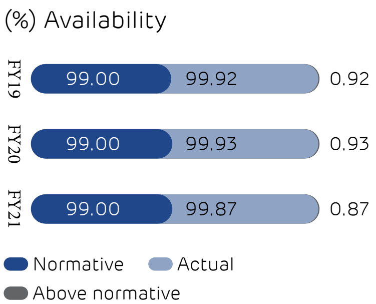
±500 kV Mundra-Mahendragarh HVAC Transmission System (ATIL - Asset-1 HVAC)



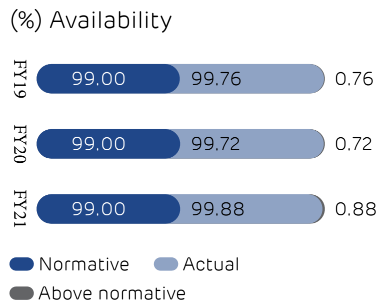
400 kV Mundra-Sami-Dehgam Transmission System (ATIL - Asset 2 HVAC)



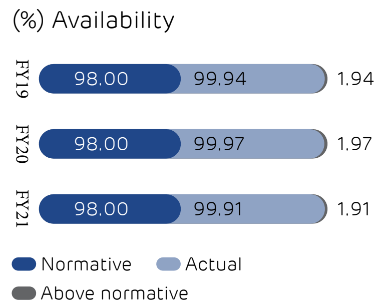
400 kV Tirora-Warora Transmission System (ATIL - TW)



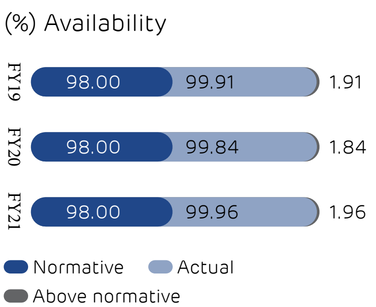
Maharashtra Easter Grid Power Transmission Company Ltd. (MEGPTCL)



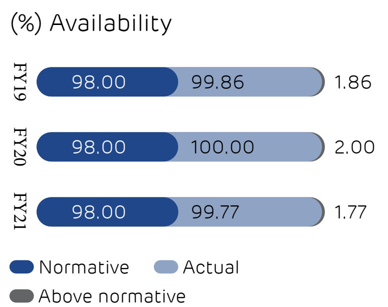
Maru Transmission Service Company Ltd. (MTSCL)



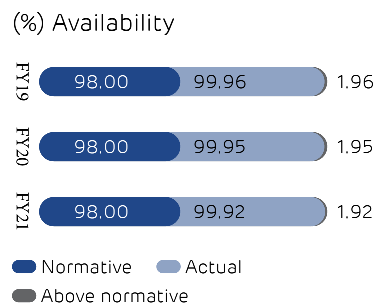
Aravali Transmission Service Company Ltd. (ATSCL)



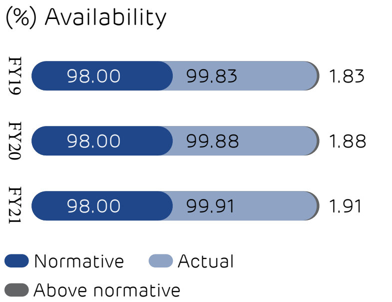
Western Transmission (Gujarat) Ltd. (WTGL)



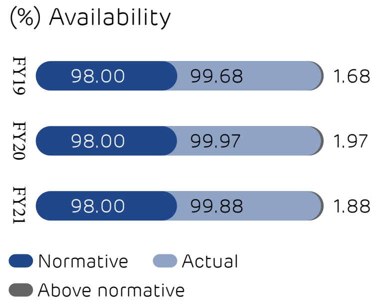
Western Transco Power Ltd. (WTPL)



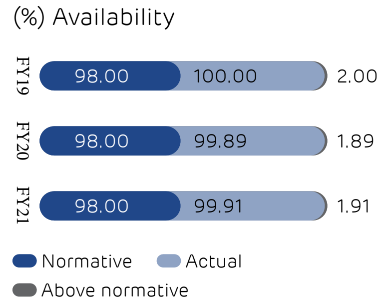
Sipat Transmission Ltd. (STL)



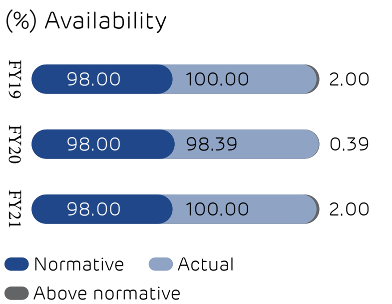
Chhattisgarh–WR Transmission Ltd. (CWRTL)



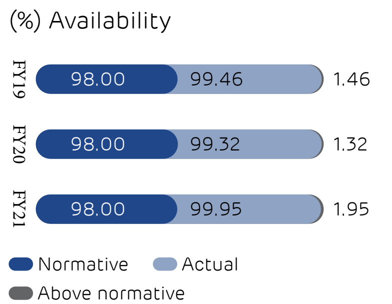
Raipur-Rajnandgaon-Warora Transmission Ltd. (RRWTL)



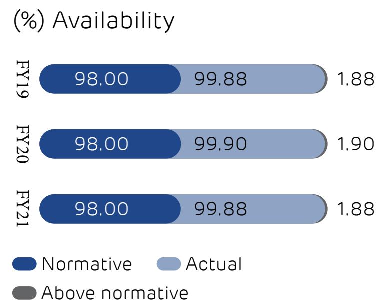
Adani Transmission Bikaner Sikar Private Ltd. (ATBSPL)



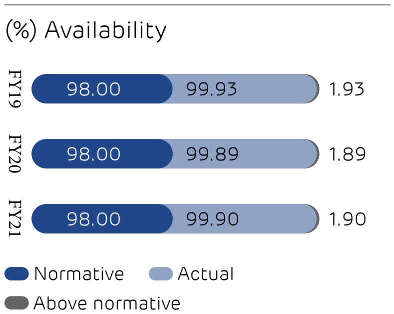
Adani Transmission (Rajasthan) Ltd. (ATRL)



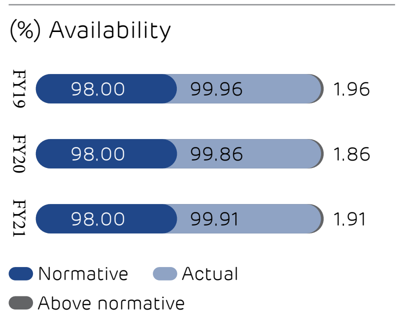
Hadoti Power Transmission Service Ltd. (HPTSL)



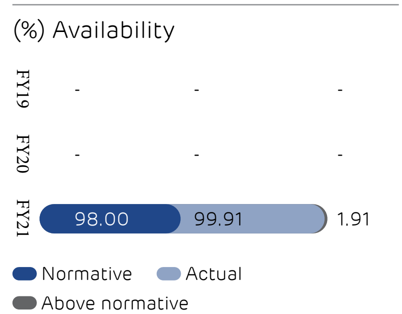
Barmer Power Transmission Service Ltd. (BPTSL)



Thar Power Transmission Service Ltd. (TPTSL)



Alipurduar Transmission Ltd. (ATL)



Human resources

Adani Transmission Limited's human resource practices helped reinforce market leadership. The Company invested in formal and informal training as well as on-the-job learning. It emphasised engagements with employees by providing an enriched workplace, challenging job profile and regular dialogues with the management. The Company enjoys one of the highest employee retention rates in the industry; it creates leaders from within, strengthening prospects. As on 31st March, 2021, the Company's employee base stood at 11922.

Internal control systems and their adequacy

The Company has strong internal control procedures in place that are commensurate with its size and operations. The Board of Directors, responsible for the internal control system, sets the guidelines and verifies its adequacy, effectiveness and application. The Company's internal control system is designed to ensure management efficiency, measurability and verifiability, reliability of accounting and management information, compliance with all applicable laws and regulations, and the protection of the Company's assets. This is to timely identify and manage the Company's risks (operational, compliance-related, economic and financial).

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward-looking statements' within the meaning of applicable securities laws and regulations.

Annexure to the Directors' Report

Corporate Governance Report

1. Company's Philosophy on Corporate Governance

Corporate Governance is about meeting our strategic goals responsibly and transparently, while being accountable to our stakeholders. The Company is equipped with a robust framework of corporate governance that considers the long-term interest of every stakeholder as we operate with a commitment to integrity, fairness, equity, transparency, accountability and commitment to values. The framework lays down procedures and mechanisms for enhancing leadership for smooth administration and productive collaboration among employees, value chain, community, investors and the Government.

Courage, Trust and **Commitment** are the main tenants of our Corporate Governance Philosophy -

- **Courage:** we shall embrace new ideas and businesses.
- **Trust:** We shall believe in our employees and other stakeholders.
- **Commitment:** We shall stand by our promises and adhere to high standards of business.

The Company is in compliance with the conditions of corporate governance as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable.

2. Board of Directors

The "Board", being the trustee of the Company, responsible for the establishment of cultural, ethical and accountable growth of the Company, is constituted with a high level of integrated, knowledgeable and committed professionals. The Board provides strategic guidance and independent views to the Company's senior management while discharging its fiduciary responsibilities.

Composition of the Board

The Company has a balanced board with optimum combination of Executive and Non-Executive Directors, including independent professionals, which plays a crucial role in Board processes and provides independent judgment on issues of strategy and performance. The Board currently comprises 6 (Six) Directors out of which 3 (Three) Directors (50%) are Executive Directors and remaining 3 (Three) are Independent Directors. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1) (b) of the SEBI Listing Regulations and Section 149 of the Companies Act, 2013.

The present strength of the Board reflects judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

None of the Directors is a Director in more than 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies. Further, none of the Directors on the Company's Board is a Member of more than 10 (ten) Committees and Chairman of more than 5 (five) Committees (Committees being, Audit Committee and Stakeholders' Relationship Committee) across all the companies in which he/she is a Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than 10 (ten) public companies as on 31st March, 2021.

The composition of the Board of Directors and the number of Directorships and Committee positions held by them as on 31st March, 2021 are as under:

Name and Designation (DIN) of Director	Category	No. of other Directorships held[1] (Other than ATL)	No. of Board Committees[2] (other than ATL) in which Chairman / Member.	
			Chairman	Member
Mr. Gautam S. Adani, Chairman (DIN: 00006273)	Promoter Executive	5	-	-
Mr. Rajesh S. Adani, Director (DIN: 00006322)	Promoter Executive	4	-	4
Mr. Anil Sardana, Managing Director & CEO (DIN: 00006867)	Executive Director	5	-	2
Mr. K. Jairaj, Director (DIN: 01875126)	Non-Executive (Independent)	8	2	2
Dr. Ravindra H. Dholakia, Director (DIN: 00069396)	Non-Executive (Independent)	1	1	-
Mrs. Meera Shankar, Director (DIN: 06374957)	Non-Executive (Independent)	3	-	-

Notes:

1. The Directorships held by the Directors, as mentioned above excludes alternate directorships, directorships in foreign companies, Companies under Section 8 of the Companies Act, 2013 and Private Limited Companies which are not the subsidiaries of Public Limited Companies.
2. Represents Membership / Chairmanship of two Committees viz. Audit Committee and Stakeholders' Relationship Committee as per Regulation 26 of the SEBI Listing Regulations.
3. As on 31st March, 2021, none of the Directors of the Company were related to each other except Mr. Rajesh S. Adani, Director being brother of Mr. Gautam S. Adani, Chairman.

   Details of name of other listed entities where Directors of the Company are Directors and the category of Directorship as on 31st March, 2021 are as under:

Name of Director	Name of other Listed entities in which the concerned Director is a Director	Category of Directorship
Mr. Gautam S. Adani (DIN: 00006273)	Adani Ports and Special Economic Zone Limited	Promoter Executive
	Adani Enterprises Limited	Promoter Executive
	Adani Total Gas Limited	Promoter Non-Executive
	Adani Power Limited	Promoter Non-Executive
	Adani Green Energy Limited	Promoter Non-Executive
Mr. Rajesh S. Adani (DIN: 00006322)	Adani Ports and Special Economic Zone Limited	Promoter Non-Executive
	Adani Enterprises Limited	Promoter Executive
	Adani Power Limited	Promoter Non-Executive
	Adani Green Energy Limited	Promoter Non-Executive
Mr. Anil Sardana Managing Director & CEO (DIN: 00006867)	Adani Power Limited	Executive
Dr. Ravindra H. Dholakia Director (DIN: 00069396)	Gujarat State Fertilizers & Chemicals Limited	Not Applicable
Mr. K. Jairaj Director (DIN:01875126)	CESC Limited	Non-Executive Independent
	RPSG Ventures Ltd. (earlier CESC Ventures Limited)	Non-Executive Independent
Mrs. Meera Shankar Director (DIN: 06374957)	ITC Limited	Non-Executive Independent
	Pidilite Industries Limited	Non-Executive Independent
	JK Tyre & Industries Limited	Non-Executive Independent

Board Meetings and Procedure

The internal guidelines for Board / Committee meetings facilitate the decision making process at the meetings of the Board/Committees in an informed and efficient manner.

Board Meetings are governed by structured agenda. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. The Company Secretary in consultation with the Senior Management prepares the detailed agenda for the meetings.

Agenda papers and Notes on Agenda are circulated to the Directors, in advance, in the defined Agenda format. All material information are being circulated along with Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are permitted. In order to transact some urgent business, which may come up after circulation agenda papers, the same is placed before the Board by way of Table Agenda or Chairman's Agenda. Frequent and detailed deliberation on the agenda provides the strategic roadmap for the future growth of the Company.

Minimum 4 (four) pre-scheduled Board meetings are held every year. Apart from the above, additional Board meetings are convened by giving appropriate notice to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are also passed by way of circulation. The meetings are usually held at the Company's Registered Office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382 421, Gujarat.

Detailed presentations are made at the Board / Committee meetings covering Finance, major business segments and operations of the Company, global business environment, all business areas of the Company including business opportunities, business strategy and the risk management practices before taking on record the quarterly / half yearly / annual financial results of the Company.

The required information as enumerated in Part A of Schedule II to SEBI Listing Regulations is made available to the Board of Directors for discussions and consideration at every Board Meetings. The Board periodically reviews compliance reports of all laws applicable to the Company as required under Regulation 17(3) of the SEBI Listing Regulations.

The important decisions taken at the Board / Committee meetings are communicated to departments concerned promptly. Action taken report on the decisions taken at the meeting(s) is placed at the immediately succeeding meeting of the Board / Committee for noting by the Board / Committee.

4 (Four) Board Meetings were held during the FY 2020-21. The Company has held at least one Board meeting in every quarter and the gap between two meetings did not exceed one hundred and twenty days. The necessary quorum was present in all the meetings. Leave of absence was granted to the concerned directors who could not attend the respective board meeting on request. The dates on which the Board Meetings were held during FY 2020-21 are as follows:

9th May, 2020, 7th August, 2020, 5th November, 2020 and 4th February, 2021.

The Companies Act, 2013 read with the relevant rules made thereunder, now facilitates the participation of a Director in Board/Committee Meetings through video conferencing or other audio visual mode. Accordingly, the option to participate in the Meeting through video conferencing was made available for the Directors except in respect of such Meetings/Items which are not permitted to be transacted through video conferencing.

The details of attendance of Directors at the Board Meetings and at the last Annual General Meeting are as under:

Name of Director(s)	Number of Board Meetings held and attended during FY 2020-21		Attended Last AGM
	Held	Attended	
Mr. Gautam S. Adani	4	4	Yes
Mr. Rajesh S. Adani	4	4	Yes
Mr. Anil Sardana	4	4	Yes
Mr. K. Jairaj	4	4	Yes
Dr. Ravindra H. Dholakia	4	4	Yes
Mrs. Meera Shankar	4	4	Yes

During the year, the Board of Directors accepted all recommendations of the Committees of the Board, which were statutory in nature and required to be recommended by the Committee and approved by the Board of Directors. Hence, the Company is in compliance of condition of clause 10(j) of schedule V of the SEBI Listing Regulations.

During the year under review, the Board of Directors of the Company have amended / approved changes in the Code of Conduct for prevention of Insider Trading as per SEBI Insider Trading Regulations. The Board of Directors of the Company have also approved Policy on Board Diversity and Claw Back Policy in the event of financial restatement. Accordingly, the updated policies are uploaded on website of the Company at https://www.adanitransmission.com/investors/corporate-governance

Skills / expertise competencies of the Board of Directors:

The following is the list of core skills / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available within the Board Members:

Business Leadership	Leadership experience including in areas of business development, strategic planning, succession planning, driving change and long-term growth and guiding the Company and its senior management towards its vision and values.
Financial Expertise	Knowledge and skills in accounting, finance, treasury management, tax and financial management of large corporations with understanding of capital allocation, funding and financial reporting processes.
Risk Management	Ability to understand and asses the key risks to the organization, legal compliances and ensure that appropriate policies and procedures are in place to effectively manage risk.
Global Experience	Global mindset and staying updated on global market opportunities, competition experience in driving business success around the world with an understanding of diverse business environments, economic conditions and regulatory frameworks.
Merger & Acquisition	Ability to assess 'build or buy' & timing of decisions, analyze the fit of a target with the company's strategy and evaluate operational integration plans
Corporate Governance & ESG	Experience in implementing good corporate governance practices, reviewing compliance and governance practices for a sustainable growth of the company and protecting stakeholders interest.
Technology & Innovations	Experience or knowledge of emerging areas of technology such as digital, artificial intelligence, cyber security, data centre, data security etc.

In the table below, the specific areas of focus or expertise of individual board members have been highlighted.

Name of Director	Areas of Skills/ Expertise						
	Business Leadership	Financial Expertise	Risk Management	Global Experience	Corporate Governance & ESG	Merger & Acquisition	Technology & Innovation
Mr. Gautam Adani	✓	✓	✓	✓	✓	✓	✓
Mr. Rajesh Adani	✓	✓	✓	✓	✓	✓	✓
Mr. Anil Sardana	✓	✓	✓	✓	✓	✓	✓
Mr. K. Jairaj	-	✓	✓	✓	✓	✓	✓
Dr. Ravindra Dholakia	-	✓	✓	✓	✓	✓	✓
Mrs. Meera Shankar	-	✓	✓	✓	✓	✓	✓

Note - Each Director may possess varied combinations of skills/ expertise within the described set of parameters and it is not necessary that all Directors possess all skills/ expertise listed therein.

Confirmation as regards independence of Independent Directors

It is confirmed that in the opinion of the board, the independent directors fulfil the conditions specified in these regulations and are independent of the management.

Notes on Directors appointment / re-appointment

Brief resume(s) of the Directors proposed to be appointed / re-appointed are given in the Explanatory Statement annexed to the Notice convening the Annual General Meeting.

3. Committees of The Board

The Board Committees play a vital role in ensuring sound Corporate Governance practices. The Committees are constituted to handle specific activities and ensure speedy resolution of the diverse matters. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles under which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all the Committees are placed before the Board for review. As on date the Board has established the following Committees:

A. Audit Committee

B. Nomination and Remuneration Committee

C. Stakeholders' Relationship Committee

D. Corporate Social Responsibility & Sustainability (CSR&S) Committee

E. Risk Management Committee

F. Securities Transfer Committee

A. Audit Committee

The Audit Committee acts as a link among the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company. The Committee's purpose is to oversee the quality and integrity of accounting, auditing and financial reporting process including review of the internal audit reports and action taken report.

Terms of Reference:

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under SEBI Listing Regulations as amended from time to time and Section 177 of the Companies Act, 2013. The brief terms of reference of Audit Committee are as under:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to.
   a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134(3) (c) of the Companies Act, 2013.
   b) Changes, if any, in accounting policies and practices and reasons for the same.
   c) Major accounting entries involving estimates based on the exercise of judgment by the management.
   d) Significant adjustments made in the financial statements arising out of audit findings.
   e) Compliance with listing and other legal requirements relating to financial statements.
   f) Disclosure of any related party transactions
   g) Modified opinion(s) in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the Auditor's independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.

12. Reviewing, with the management, the performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors of any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the Whistle-Blower mechanism.
19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.
20. Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.
21. Review compliance with the provisions of SEBI Insider Trading regulations and verify that the systems for internal control are adequate and are operating effectively.
22. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments.
23. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
24. Carrying out any other function as is mentioned in the terms of reference of the audit committee and/or is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.

Review of Information by Audit Committee:

1. The Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management.
3. Management letters/letters of internal control weaknesses issued by the statutory auditors.
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor.
6. Statement of deviations :
    a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s).
    b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice.

Meetings, Attendance & Composition of the Audit Committee

During the FY 2020-21, four meetings of the Audit Committee were held on 9th May, 2020, 7th August, 2020, 5th November, 2020 and 4th February, 2021. The intervening gap between two meetings did not exceed one hundred and twenty days.

The details of the Audit Committee meetings attended by its members as on 31st March, 2021 are given below:

Sr. No	Name	Designation(s)	Category	Number of meetings held during FY 2020-21	
				Held	Attended
1	Mr. K. Jairaj	Chairman	Non-Executive & Independent	4	4
2	Dr. Ravindra H. Dholakia	Member	Non-Executive & Independent	4	4
3	Mrs. Meera Shankar	Member	Non-Executive & Independent	4	4

The Audit Committee of the Company comprises of all Independent Directors which enables a complete independent review of financial reporting process and internal control mechanism by the Committee in more transparent way to further strengthen the confidence of all stakeholders especially the minority shareholders.

All members of the Audit Committee have accounting and financial management knowledge and expertise / exposure. The Audit Committee meetings are attended by the Internal Auditors, Statutory Auditors, Chief Financial Officer and head of finance. The Company Secretary acts as the Secretary of the Audit Committee.

Mr. Jaladhi Shukla, Company Secretary and Compliance Officer act as a Secretary of the Committee. The Chairman of the Audit Committee attended the last Annual General Meeting (AGM) held on 25th June, 2020 to answer the shareholders' queries.

B. Nomination and Remuneration Committee

The constitution and terms of reference of Nomination and Remuneration Committee of the Company are in compliance with provisions of Companies Act, 2013 and the SEBI Listing Regulations.

Terms of reference:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
2. Formulation of criteria for evaluation of Independent Directors and the Board of directors.
3. Devising a policy on Board diversity.
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
5. To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. To recommend / review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria.
7. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
8. To recommend to the board, all remuneration, in whatever form, payable to senior management.

Meeting, Attendance & Composition of the Nomination & Remuneration Committee

During FY 2020-21, four meetings of the Nomination & Remuneration Committee were held on 9th May, 2020, 7th August, 2020, 5th November, 2020 and 4th February, 2021.

The details of the Nomination & Remuneration Committee meetings attended by its members as on 31st March, 2021 are given below:

Sr. No	Name	Designation(s)	Category	Number of meetings held during FY 2020-21	
				Held	Attended
1	Mr. K. Jairaj	Chairman	Non-Executive & Independent	4	4
2	Dr. Ravindra H. Dholakia	Member	Non-Executive & Independent	4	4
3	Mrs. Meera Shankar	Member	Non-Executive & Independent	4	4

The Quorum of the Committee is of two members.

The Board of Directors review the Minutes of the Nomination & Remuneration Committee Meetings at subsequent Board Meetings.

The Company Secretary acts as a Secretary to the Committee.

Remuneration Policy

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The Company endeavours to attract, retain, develop and motivate the high-caliber executives and to incentivize them to develop and implement the Group's Strategy, thereby enhancing the business value and maintain a high performance workforce. The policy ensures that the level and composition of remuneration of the Directors is optimum.

i) Remuneration to Non-Executive Directors

Non-Executive Directors are paid ₹50,000/- as sitting fees for attending meeting of Board of Directors & Audit Committee and ₹25,000/- for attending meeting of Corporate Social Responsibility & Sustainability Committee, Stakeholders' Relationship Committee, Nomination & Remuneration Committee and Risk Management Committee &actual reimbursement of expenses incurred for attending each meeting of the Board and Committee.

The Company has also taken a Directors' & Officers' Liability Insurance Policy.

The Executive and Promoter group Directors are not being paid sitting fees for attending meetings of the Board of Directors and its committees. Other than sitting fees paid to Non-Executive Directors, there were no pecuniary relationships or transactions by the Company with any of the Non-Executive and Independent Directors of the Company. The Company has not granted stock options to Non- Executive and Independent Directors.

The details of sitting fees paid to Non-Executive and Independent Directors for the FY 2020-21 are as under:

(₹ In Lakhs)

Name of the Directors	Sitting Fees paid during FY 2020-21		Total	No. of Shares held as on 31st March, 2021
	Board Meeting	Committee Meeting		
Mr. K. Jairaj	2.50	4.00	6.50	-
Dr. Ravindra H. Dholakia	2.50	2.50	5.00	-
Mrs. Meera Shankar	2.50	2.50	5.00	-

Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for independent directors is determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgement.

ii) Remuneration to Executive Directors.

The remuneration of the Executive Directors is recommended by the Nomination and Remuneration Committee based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance/ track record, macroeconomic review on remuneration packages of heads of other organisations and is decided by the Board of Directors.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component), incentive remuneration and/ or commission (variable components) to its Executive Directors within the limits prescribed under the Companies Act, 2013 and approved by the shareholders.

None of the Executive Directors of the Company are drawing any remuneration from the Company.

There is no separate provision for payment of severance fees under the resolutions governing the appointment of Chairman and Whole-time Director.

The Company has not granted stock options to the Executive Directors or Employees of the Company.

The aforesaid Executive Directors, so long as they function as such shall not be entitled to any sitting fees for attending any meetings of Board or Committees thereof.

Mr. Gautam S. Adani/Rajesh S. Adani (on behalf of S.B. Adani Family Trust) and Mr. Gautam S. Adani/Mrs. Priti G. Adani (on behalf of Gautam S. Adani Family Trust) hold 62,11,97,910 and 88,36,750 Equity Shares of the Company respectively. Mr. Gautam S. Adani and Rajesh S. Adani hold 1 (one) Equity Share each of the Company.

Except above, none of Directors of the Company holds equity shares of the Company in their individual capacity. The Company does not have any Employees' Stock Option Scheme and there is no separate provision for payment of Severance Fees.

C. Stakeholders' Relationship Committee

The constitution and terms of reference of Stakeholders' Relationship Committee of the Company are in compliance with provisions of Companies Act, 2013 and the SEBI Listing Regulations.

Terms of Reference:

1. To look into various aspects of interest of shareholders, debenture holders and other security holders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Reviewing the measures taken for effective exercise of voting rights by shareholders.
3. Reviewing of adherence to the service standards adopted in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Reviewing the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
5. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

Composition, Meetings and Attendance of Stakeholders' Relationship Committee

During the FY 2020-21, four meetings of the Stakeholders' Relationship Committee were held on 9th May, 2020, 7th August, 2020, 5th November, 2020 and 4th February, 2021.

The details of the Stakeholders' Relationship Committee meetings attended by its members as on 31st March, 2021 are given below:

Sr. No	Name	Designation(s)	Category	Number of meetings held during FY 2020-21	
				Held	Attended
1	Mr. K. Jairaj	Chairman	Independent, Non-Executive	4	4
2	Mr. Rajesh S. Adani	Member	Executive Promoter	4	4
3	Mr. Anil Sardana	Member	Executive Director	4	4

The Company Secretary is the Compliance Officer of the Company as per the requirements of the SEBI Listing Regulations.

The Minutes of the Shareholders' Relationship Committee are reviewed by the Board of Directors at the subsequent Board Meeting.

Redressal of Investor Grievances

The Company and its Registrar and Share Transfer Agent addresses all complaints, suggestions and grievances expeditiously and replies are sent usually within 7-10 days except in case of dispute over facts or other legal impediments and procedural issues. The Company endeavours to implement suggestions as and when received from the investors.

During the year under review, no complaints were received. There was no unattended or pending investor grievance as on 31st March, 2021.

D. Corporate Social Responsibility & Sustainability (CSR&S) Committee

The Company has constituted CSR&S Committee as required under Section 135 of the Companies Act, 2013 and rules framed there under.

Terms of reference of the Committee, inter alia, includes the following:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by our Company as specified in Schedule VII

of the Companies Act, 2013 and rules made thereunder.

2. To recommend the amount of expenditure to be incurred on CSR activities.
3. To monitor the implementation of framework of CSR Policy.
4. Approval and review of the Company's sustainability policy.
5. Overseeing management processes and standards designed to manage the Company's Sustainability performance (together "Sustainable Development").
6. Reviewing the Company's annual Sustainability Report assurance process and signing off the Sustainability Report for public disclosure.
7. Sub-delegation of authority and recommending the positioning to manage relevant sustainability issues and sharing information.
8. Regularly updating its competency on the subject of Sustainable Development and reviewing its own performance and effectiveness including its terms of reference for overseeing the Company's Sustainability performance.
9. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties. ATL's Board of directors are elected individually during the Annual General Meetings through shareholder voting process formulated by the Nomination and Remuneration committee. The average tenure of the board members is 5 years and the members elected are assured to have the right experience and skills, are sufficiently independent, and act in the best interests of all stakeholders.

CSR Policy

The CSR Policy of the Company is available on its website (https://www.adanitransmission.com/investors/corporate-governance).

Composition, Meetings and Attendance of CSR&S Committee

During the year under review, two CSR&S Committee Meetings were held on 9th May, 2020 and 4th February, 2021.

The details of the CSR&S Committee meetings attended by its members during FY 2020-21 are given below:

Sr. No	Name	Designation(s)	Category	Number of meetings held during FY 2020-21	
				Held	Attended
1	Mr. Rajesh S. Adani	Chairman	Executive Promoter	2	2
2	Mr. K. Jairaj	Member	Independent, Non-Executive	2	2
3	Mr. Anil Sardana	Member	Executive Director	2	2

The Quorum of the Committee is of two members.

The Board of Directors review the Minutes of the CSR&S Committee Meetings at subsequent Board Meetings.

The Company Secretary acts as a Secretary to the Committee.

Sustainability Governance

The Company believes that sustainable and long-term growth of every stakeholder depends upon the judicious and effective use of available resources and consistent endeavour to achieve excellence in business along with active participation in the growth of society, building of environmental balances and significant contribution in economic growth.

Till 2017-18, we were preparing a separate Annual Report and Sustainability Report. This is the third year that we have combined both the reports into one, presenting financial and non-financial metrics in an integrated report, for a more holistic picture of our purpose, performance and prospects.

E. Risk Management Committee:

The Risk Management Committee of the Company is constituted in line with the provisions of Regulation 21 of the SEBI Listing Regulations.

The Committee is required to lay down the procedures to inform to the Board about the risk assessment and minimization procedures and the Board shall be responsible for framing, implementing and monitoring the risk management plan of the Company.

Terms of reference of the Committee shall inter alia include the following:

1. To formulate a detailed risk management policy which shall include:

a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

b. Measures for risk mitigation including systems and processes for internal control of identified risks.

c. Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

7. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/amendment or modification as may be applicable.

During the year under review, three Risk Management Committee Meetings were held on 9th May, 2020, 5th November, 2020 and 4th February, 2021.

The details of the Risk Management Committee meeting attended by its members as are given below:

Sr. No	Name	Designation(s)	Category	Number of meetings held during FY 2020-21	
				Held	Attended
1	Mr. Anil Sardana	Chairman	Executive Director	3	3
2	Mr. Rajesh S. Adani	Member	Executive Promoter	3	3
3	Mr. K. Jairaj*	Member	Independent, Non-Executive	N.A.	N.A.

* Appointed as member of the committee w.e.f. 6th May, 2021.

The Company has a risk management framework to identify, monitor and minimize risks.

The Quorum of the Committee is of two members.

The Board of Directors review the Minutes of the Risk Management Committee Meetings at subsequent Board Meetings.

The Company Secretary acts as a Secretary to the Committee.

F. Securities Transfer Committee

In order to provide efficient and timely services to investors, the Board of Directors has delegated the power of approving transfer/transmission of Company's Securities, issue of duplicate share/ debenture certificates, split up/sub-division, and consolidation of shares, issue of new certificates on re-materialization, sub-division and other related formalities to the Securities Transfer Committee.

No requests for transfers of any Securities are pending as on 31st March, 2021 except those that are disputed and/or sub-judiced.

Whistle-Blower Policy:

The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behaviour. No person has been denied access to the chairman of the audit committee. The said policy is uploaded on the website of the https://www.adanitransmission.com/investors/corporate-governance During the year under review, there were no cases of whistle blower.

Investor Services

M/s. Link Intime India Private Limited are acting as Registrar & Share Transfer Agent of the Company. They have adequate infrastructure and VSAT connectivity with both the depositories, which facilitate better and faster services to the investors.

a) **Name, Designation and Address of the Compliance Officer:**

Mr. Jaladhi Shukla, Company Secretary and Compliance Officer

Adani Transmission Limited

Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382 421, Gujarat, India.

Tel: (079) 25555 555, 26565 555,

Fax: (079) 26565 500, 25555 500,

E-mail ID: jaladhi.shukla@adani.com

4. Annual General Meetings

Location, day, date and time of Annual General Meetings (AGMs) and Special Resolutions passed there at:

Financial Year	Day & Date	Location of Meeting	Time	No. of Special resolutions passed
2017-18	Tuesday, 7th August, 2018	J. B. Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015	10.30 a.m.	4
2018-19	Thursday. 8th August, 2019	J. B. Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015	10.30 a.m.	5
2019-20	Thursday, 24th June, 2020	Through Video Conferencing / Other Audio Visual Means	10.00 a.m.	3

Whether Special Resolutions were put through postal ballot last year, details of voting pattern:

There were no special resolutions passed through postal ballot process during FY 2020-21.

Whether any resolutions are proposed to be conducted through postal ballot:

No Resolution is proposed to be passed by way of Postal Ballot at the ensuing Annual General Meeting.

5. Subsidiary Companies

None of the subsidiaries of the Company other than Adani Electricity Mumbai Limited, Adani Transmission (India) Limited and Maharashtra Eastern Grid Power Transmission Company Limited comes under the purview of the Material Non-Listed Indian Subsidiary as per criteria given in the SEBI Listing Regulations. The Company has nominated Mr. K. Jairaj, Independent Director of the Company as Director on the Board of Adani Electricity Mumbai Limited, Adani Transmission (India) Limited and Maharashtra Eastern Grid Power Transmission Company Limited being the material subsidiaries of the Company.

The Company is not required to nominate an Independent Director on the Board of any other Subsidiary Companies. The subsidiaries of the Company function with an adequately empowered Board of Directors and sufficient resources.

For more effective governance, the Company monitors performance of subsidiary companies, interalia, by following means:

a) Financial statements, in particular investments made by unlisted subsidiary companies, are reviewed quarterly by the Company's Audit Committee.

b) Minutes of unlisted subsidiary companies are placed before the Board of the Company regularly.

c) A statement, wherever applicable, of all significant transactions and arrangements entered into by the Company's subsidiaries is presented to the Board of the Company at its meetings.

The risk factors and project reports of the Subsidiary Companies are also reviewed by the Audit Committee of the Company.

The Company has a policy for determining 'material subsidiaries' which is uploaded on the website of the Company at https://www.adanitransmission.com/investors/corporate-governance

6. Other Disclosures

a) **Disclosure on materially significant related party transactions:**

The details of materially significant related party tractions entered by the Company during the FY

2020-21 are as per notice calling Annual General Meeting of the Company. The details of Related Party Transactions are disclosed in the financial section of this Annual Report. The Company has developed a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions.

The Company has developed a Related Party Transaction Policy which is uploaded on the website of the Company at https://www.adanitransmission.com/investors/corporate-governance.

Note on the material related party transaction carried forward by the Company as per Annexure forming part of the AGM notice –

This amount was invested in ATL by Adani Infra (India) Limited to support acquisition of Adani Electricity Mumbai Limited's (AEML) Business which is in the Gateway city/Financial Capital of India and is considered as a marquee asset for the Company's entry into retail electricity distribution business. To support this acquisition for sustainable growth with proper Debt:Equity mix, the Promoter group which is already holding 74.92% in the Company, had to be approached by management for urgent financial assistance in the manner that its recognised as an equity instrument for lenders to support with their corporate financing. Basis negotiations, the Promoters agreed to contribute significant sum of equity alike instrument, with reasonable equity returns on the amount and agreeing to deeply subordinate the sum provided, in the form of Perpetual Equity. Accordingly, the sum provided accrues 11.80% p.a. return on the same with mutually agreeable payment terms. The original sum contributed along with carrying costs can only be paid only against the equity sum to be mobilised by the Company. Thus, the amount received is from related party but it's a facilitation sum that the Company needed for marquee acquisition and is rather a huge support lent by Promoter.

b) In the preparation of the financial statements, the Company has followed the accounting policies and practices as prescribed in the Accounting Standards.

c) Details of compliance

The Company has complied with all the requirements of the Stock Exchanges as well as the regulations and guidelines prescribed by the Securities and Exchange Board of India (SEBI). There were no penalties or strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

d) ADANI Code of Conduct

The ADANI Code of Conduct for the Directors and Senior Management of the Company has been laid down by the Board and the same is posted on the website of the Company.

A declaration signed by the Whole-time Director affirming the compliance with the ADANI Code of Conduct by the Board Members and Senior Management Personnel of the Company is as under:

Declaration as required under the SEBI Listing Regulations

All Directors and senior management of the Company have affirmed compliance with the ADANI Code of Conduct for the financial year ended 31st March, 2021.

Place: Ahmedabad
Date: 6th May, 2021

Anil Sardana
Managing Director and
Chief Executive Officer

Adani Code of Conduct for Prevention of Insider Trading

ADANI Code of Conduct for Prevention of Insider Trading, as approved by the Board of Directors, inter alia, prohibits purchase/sale of securities of the Company by Directors and employees while in possession of unpublished price sensitive information in relation to the Company.

e) **CEO / CFO Certificate**

The CEO and CFO / head of office of the Company have certified to the board with regard to the financial statements and other matters as required by the SEBI Listing Regulations. The certificate is appended as an Annexure to this report.

They have also provided quarterly certificates on financial results while placing the same before the Board pursuant to Regulation 33 of the SEBI Listing Regulations.

f) **Proceeds from public issues, rights issues, preferential issues etc.**

The Company discloses to the Audit Committee, the uses/application of proceeds/funds raised from Rights Issue, Preferential Issue as part of the quarterly review of financial results.

g) The designated Senior Management Personnel of the Company have disclosed to the Board that no material, financial and commercial transactions have been made during the year under review in which they have personal interest, which may have a potential conflict with the interest of the Company at large.

h) The Company has also adopted Material Events Policy, Website Content Archival Policy and Policy on Preservation of Documents which is uploaded on the website of the Company at https://www.adanitransmission.com/investors/corporate-governance

i) Details of the familiarization programmes imparted to the independent directors are available on the website of the company at https://www.adanitransmission.com/investors/corporate-governance

j) With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading.

k) The Company has put in place succession plan for appointment to the Board and to senior management.

l) The Company complies with all applicable Secretarial Standards.

m) The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the SEBI Listing Regulations. It has obtained a certificate affirming the compliances from Practising Company Secretary and the same is attached to this Report.

n) As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Directors seeking appointment / re-appointment at the forthcoming AGM are given herein and in the Annexure to the Notice of the 8th AGM to be held on Tuesday, 13th July, 2021.

o) The Company has obtained certificate from CS Chirag Shah, Practising Company Secretary confirming that none of the Directors of the Company is debarred or disqualified by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such authority from being appointed or continuing as Director of the Company and the same is also attached to this Report.

p) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which the statutory auditor is a part, is given below:

M/s. Deloitte Haskins & Sells LLP

(₹ In Crores)

Payment to Statutory Auditors	FY 2020-21
Audit Fees	1.90
Out of pocket expenses	0.02
Other Matters	0.20
Total	2.12

(All amounts excluding GST)

q) As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, the Company has constituted Internal Complaints Committee which is responsible for redressal of complaints related to sexual harassment. During the year under review, there were no complaints pertaining to sexual harassment.

7. Means of Communication

a) Financial Results:

The quarterly/half-yearly and annual results of the Company are normally published in the Indian Express (English) and Financial Express (a regional daily published from Gujarat). These results are not sent individually to the shareholders but are put on the website of the Company.

The quarterly/half-yearly and annual results and other official news releases are displayed on the website of the Company – www.adanitransmission.com shortly after its submission to the Stock Exchanges.

b) Intimation to Stock Exchanges:

The Company also regularly intimates to the Stock Exchanges all price sensitive and other information which are material and relevant to the investors.

c) Earnings Calls and Presentations to Analysts:

At the end of each quarter, the Company organizes meetings / conference call with analysts and investors and the presentations made to analysts and transcripts of earnings call are uploaded on the website thereafter.

8. General Shareholder Information

A. Company Registration Details:

The Company is registered in the State of Gujarat, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L40300GJ2013PLC077803.

B. Annual General Meeting:

Day and Date	Time	Mode
Tuesday, 13th July, 2021	11.00 a.m.	Through Video Conferencing / Other Audio Visual Means.

C. Registered Office:

Adani Corporate House, Shantigram,
Near Vaishno Devi Circle, S. G. Highway, Khodiyar,
Ahmedabad – 382 421, Gujarat.

D. Financial Calendar for 2021-22: (tentative schedule, subject to change)

Period	Approval of Quarterly results
Quarter ending 30th June, 2021.	Mid August, 2021
Quarter and half year ending 30th September, 2021.	Mid November, 2021
Quarter ending 31st December, 2021.	Mid February, 2022
The year ending 31st March, 2022.	End May, 2022

E. Date of Book Closure:

Tuesday, 6th July, 2021 to Tuesday, 13th July, 2021 (both days inclusive) for the purpose of 8th Annual General Meeting.

F. Listing on Stock Exchanges:

(a) The Equity Shares of the Company are listed with the following stock exchanges.

BSE Limited (BSE) P. J. Towers, Dalal Street, Fort, Mumbai - 400 001	(Stock Code : 539254)
National Stock Exchange of India Limited (NSE) "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.	(Stock Code : ADANITRANS)

(b) Depositories :	1	National Securities Depository Limited (NSDL) Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013.
	2	Central Depository Services (India) Limited (CDSL) A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N. M. Joshi Marg, Lower Parel (East), Mumbai - 400013

The Equity Shares of the Company are traded compulsorily in Demat Segments. The ISIN allotted to the Company's Equity Shares under the depository system is INE931S01010.

The Company has only one class of equity shares having par value of ₹10 each and the holder of the equity share is entitled to one vote per share

Annual Listing fee has been paid to the BSE & NSE and Annual Custody/Issuer fee for the FY 2020-21 will be paid by the Company to NSDL & CDSL on receipt of the invoices.

G. Dividend Distribution Policy:

As per Regulation 43A of the SEBI Listing Regulations, the top 1,000 listed companies shall formulate a dividend distribution policy. Accordingly, the policy was adopted to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company. The Dividend Distribution Policy of the Company is available on the website of the Company at

https://www.adanitransmission.com/investors/corporate-governance

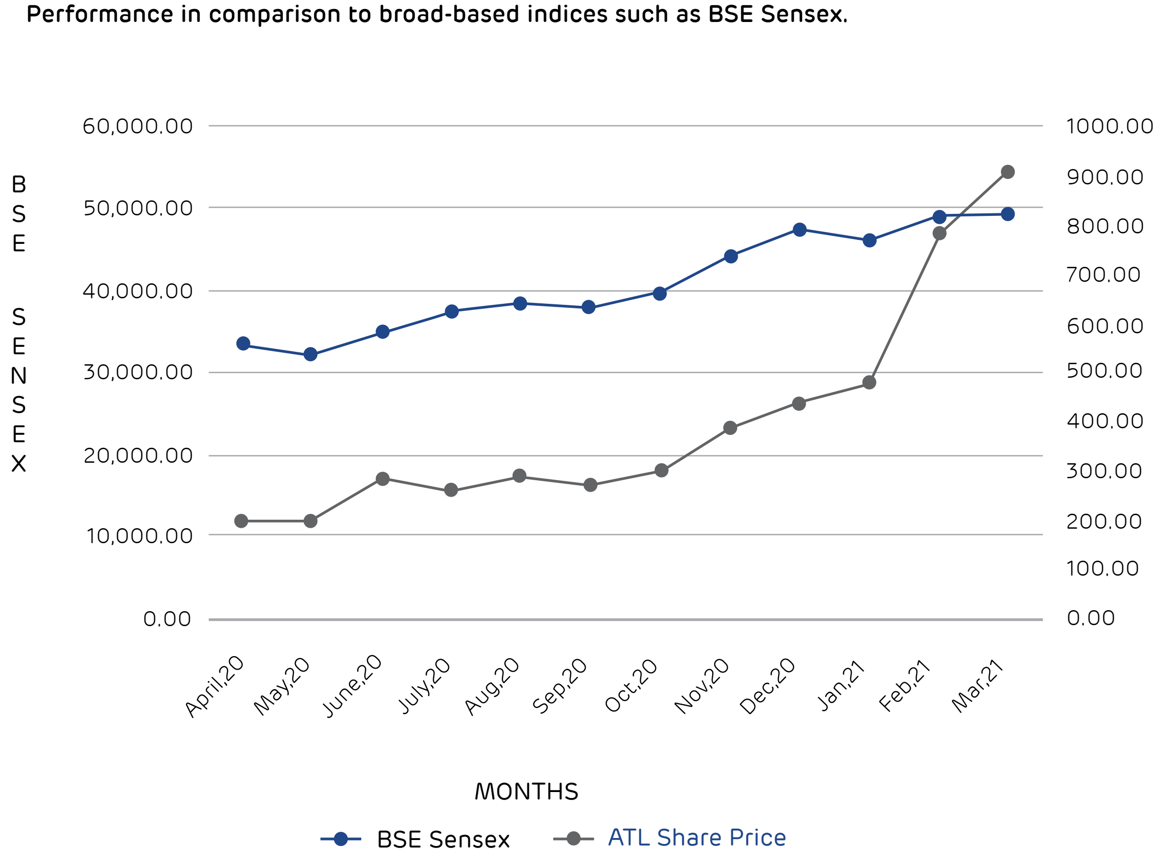
H. Market Price Data: High, Low during each month in FY 2020-21.

Monthly share price movement during the FY 2020-21 at BSE & NSE:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (No. of shares)	High (₹)	Low (₹)	Volume (No. of shares)
April, 2020	207.45	189.20	228495	207.70	189.40	2993460
May, 2020	199.85	174.90	180338	200.20	173.90	7738657
June, 2020	277.60	179.75	5388524	276.85	179.70	52177528
July, 2020	265.40	224.55	625189	265.55	225.10	7406759
August, 2020	292.15	229.00	1803192	296.20	229.45	16770261
September, 2020	275.85	235.00	1461245	276.00	234.80	9559418
October, 2020	297.50	246.90	535382	296.70	247.20	9516045
November, 2020	386.25	286.85	1719561	387.05	287.20	18328575
December, 2020	439.80	378.65	1699449	440.05	378.95	20664831
January, 2021	477.15	405.95	1241410	477.20	406.10	15234685
February, 2021	784.20	476.41	2392066	786.20	481.50	33685399
March, 2021	908.35	739.58	1496956	908.40	733.05	25128419

[Source: This information is compiled from the data available from the websites of BSE and NSE]

I. Performance in comparison to broad-based indices such as BSE Sensex.



J. Registrar and Transfer Agents:

M/s. Link Intime India Private Limited are appointed as Registrar and Transfer (R&T) Agents of the Company for both Physical and Demat Shares. The address is given below:

M/s. Link Intime India Private Limited
5th Floor, 506-508, Amarnath Business Centre – 1 (ABC-1),
Beside Gala Business Centre, Off C. G. Road,
Ellisbridge, Ahmedabad – 380 006.
Tel: +91-79-26465179
Fax: +91-79-26465179
Contact Person: Mr. Chandrasekher R.

Shareholders are requested to correspond directly with the R & T Agent for transfer/transmission of shares, change of address, queries pertaining to their shares, etc.

K. Share Transfer System:

The Company's shares are compulsorily traded in the Demat segment on stock exchanges, bulk of the transfers take place in the electronic form. The share transfers received in physical form are processed through R & T Agent, within seven days from the date of receipt, subject to the documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission, issue of duplicate share certificate, dematerialization etc. to the Securities Transfer Committee. All the physical transfers received are processed by the R & T Agent and are approved by the Securities Transfer Committee well within the statutory period of one month. The securities transfer committee meets every fortnight for approval of the transfer, transmission, issue of duplicate share certificate, dematerialization/rematerialization of shares etc. and all valid share transfers received during the year ended 31st March, 2021 have been acted upon. The share certificates duly endorsed are returned immediately to the shareholders by the R & T Agent.

The Company obtained following certificate(s) from a Practising Company Secretary and submitted the same to the stock exchanges within stipulated time

1. Certificate confirming due compliance of share transfer formalities by the Company pursuant to Regulation 40(9) of the SEBI Listing Regulations for half year ended 30th September, 2020 and 31st March, 2021 respectively with the Stock Exchanges and
2. Certificate regarding reconciliation of the share capital audit of the Company on quarterly basis.

All share transfer and other communication regarding share certificates, change of address, dividend etc. should be addressed to R & T Agents of the Company at the address given above.

L. Dematerialization of Shares and Liquidity:

The Equity Shares of the Company are tradable in compulsory dematerialized segment of the Stock Exchanges and are available in depository system of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The demat security (ISIN) code for the Equity Share is INE931S01010.

As on 31st March, 2021, 109,95,41,210 (constituting 99.97%) were in dematerialized form.

The Company's Equity Shares are frequently traded on the BSE Limited and National Stock Exchange of India Limited.

M. The Distribution of Shareholding as on 31st March, 2021 is as follows:

Number of shares	Number of shareholders		Equity Shares held in each category	
Category	Holders	% of Total	Total Shares	% of Total
1 to 500	71209	94.32	4097313	0.37
501 to 1000	1860	2.42	1481311	0.14
1001 to 2000	994	1.29	1519866	0.13
2001 to 3000	372	0.49	958888	0.09
3001 to 4000	247	0.33	902569	0.08
4001 to 5000	157	0.21	729261	0.07
5001 to 10000	333	0.44	2476785	0.22
10001 & Above	355	0.50	1087644090	98.90
TOTAL	**75527**	**100.00**	**1099810083**	**100.00**

N. Shareholding Pattern as on 31st March, 2021 is as follows:

Category	No. of Shares held	(%) of total
Promoters and Promoter Group	82,39,63,481	74.92
Foreign Portfolio Investors	22,33,05,782	20.30
Mutual Funds, Financial Institutions/Banks	13,70,258	0.12
N.R.I. and Foreign National	6,89,109	0.06
Private Bodies Corporate	27,78,254	0.26
Indian Public and others	4,67,11,976	4.25
Clearing Members (Shares in Transit)	9,91,223	0.09
Total	**109,98,10,083**	**100.00**

Note - Currently, the promoter group of the Company is holding 74.92% equity stake of the Company which is within the statutory limits. Further, the composition of the board of directors of the Company comprises judicial mix of 2 (Two) Promoter Directors, 3 (Three) independent directors and 1 (One) professional Managing Director and CEO, thereby ensuring the requirement of having 50% Board being Independent. The ownership and board governance structure(s) of the Company are independent to each other and the functioning of the Board as a collective body is primarily driven by theory of fiduciary duties of director thereby ensuring effectively protecting the interests of minority shareholders and long term value creation for its stakeholders.

O. Listing of Debt Securities.

During the year under review, your Company has redeemed / bought back 3,750 Rated, Listed, Taxable, Secured, Redeemable, Non-Convertible Debentures of the face value of ₹10 Lakhs each issued on private placement basis.

As on 31st March, 2021, no Rated, Listed, Taxable, Secured, Redeemable, Non-Convertible Debentures were outstanding on the Wholesale Debt Market Segment of BSE Limited.

P. Debenture Trustees (for privately placed debentures):

IDBI Trusteeship Services Limited
Asian Building, Ground Floor, 17, R. Kamani Marg,
Ballard Estate,Mumbai - 400 001
Tel: +91 22 4080 7000
Fax: +91 22 6631 1776
E-mail ID: itsl@idbitrustee.com
Website: www.idbitrustee.com

Q. Outstanding GDRs/ADRs/Warrants or any convertible instruments conversion date and likely impact on equity.

There were no outstanding GDRs/ADRs/Warrants or any convertible instruments as at 31st March, 2021.

R. Commodity Price Risk/Foreign Exchange Risk and Hedging:

In the ordinary course of business, the Company is exposed to risks resulting from exchange rate fluctuation and interest rate movements. It manages its exposure to these risks through derivative financial instruments. The Company's risk management activities are subject to the management, direction and control of Treasury Team of the Company under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board of Directors of the Company. The Company's Treasury Team ensures appropriate financial risk governance framework for the Company through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The decision of whether and when to execute derivative financial instruments along with its tenure can vary from period to period depending on market conditions and the relative costs of the instruments. The tenure is linked to the timing of the underlying exposure, with the connection between the two being regularly monitored.

S. Plant Locations:

Not Applicable

T. Address for correspondence:

The shareholders may address their communications/suggestions/grievances/queries to:

1. **Mr. Jaladhi Shukla** Company Secretary and Compliance Officer Adani Transmission Limited Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382 421 Tel: (079) 25555 555, 26565 555. Fax: (079) 26565 500, 25555 500. Email id: jaladhi.shukla@adani.com	2. **M/s. Link Intime India Private Limited** 5th Floor, 506-508, Amarnath Business Centre – 1 (ABC-1), Beside Gala Business Centre, Off C. G. Road, Ellisbridge, Ahmedabad – 380 006. Tel: +91-79-26465179 Fax : +91-79-26465179 E-mail: ahmedabad@linkintime.co.in Contact Person: Mr. Chandrasekher R.

U. Credit Rating:

Domestic Ratings

Rating Agency	Facility	Rating/Outlook
ICRA	Commercial Paper Issuance	A1+
India Ratings and Research		IND A1+
India Ratings and Research	Non-Convertible Debenture Issuance	IND AA+/stable

International Ratings

Rating Agency	Facility	Rating/Outlook
Fitch	Dollar Bond	BBB-/Negative
S&P		BBB-/Stable
Moody's		Baa3/Negative

Non-Mandatory Requirements

The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

1. **The Board:**

   The Company has an Executive Chairman and hence, the need for implementing this non-mandatory requirement does not arise.

2. **Shareholders Right:**

   The quarterly, half-yearly and annual financial results of the Company are published in newspapers and posted on Company's website, www.adanitransmisison.com The same are also available on the websites of stock exchanges where the shares of the Company are listed i.e. www.bseindia.com and www.nseindia.com

3. **Modified opinion(s) in audit report:**

   The Company already has a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements.

4. **Separate posts of Chairperson and CEO:**

   Mr. Gautam S. Adani is the Chairman and Mr. Anil Sardana is a Managing Director and Chief Executive Officer of the Company.

5. **Reporting of Internal Auditor**

   The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meeting and regularly attends the Meeting for reporting their findings of the internal audit to the Audit Committee Members.

Compliance Certificate on Corporate Governance

To,
The Members of
Adani Transmission Limited

We have examined the compliance of conditions of Corporate Governance by Adani Transmission Limited ("the Company") for the year ended on 31st March, 2021 as stipulated in the applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, pursuant to the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementations thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the Efficiency or effectiveness with which the management has conducted the affairs of the Company.

CS Chirag Shah
Partner
Chirag Shah and Associates
FCS No.: 5545
C. P. No. 3498
UDIN : F005545C000223917

Place : Ahmedabad
Date : 6th May, 2021

Certification by Chief Executive Officer (CEO) and Chief Financial Officer (CFO)

We have reviewed the financial statements and the cash flow statements for the year ended 31st March, 2021 and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2021 which are fraudulent, illegal or violation of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal control system and that we have evaluated the effectiveness of the internal control system of the Company and we have disclosed to the auditors and the Audit Committee, efficiencies in the design or operation of internal control system, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We further certify that we have indicated to the auditors and the Audit Committee:
   a) There have been no significant changes in internal control system during the year;
   b) There are changes in accounting policies during the year on account of Ind AS adoption and the same have been disclosed in the notes to the financial statements; and
   c) There have been no instances of significant fraud of which we have become aware, involving management or an employee having a significant role in the Company's internal control system.

Place : Ahmedabad	Anil Sardana	Sanjay Poddar
Date : 6th May, 2021	Managing Director and CEO	Finance Controller

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Adani Transmission Limited
Adani Corporate House, Shantigram,
Near Vaishno Devi Circle,
S. G. Highway, Khodiyar,
Ahmedabad – 382 421

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Adani Transmission Limited having CIN L40300GJ2013PLC077803 and having registered office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad - 382421 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Gautam Shantilal Adani	00006273	17/06/2015
2.	Mr. Rajesh Shantilal Adani	00006322	17/06/2015
3.	Mr. Anil Sardana	00006867	07/08/2018
4.	Dr. Ravindra Harshadrai Dholakia	00069396	26/05/2016
5.	Mr. Kalaikuruchi Jairaj	01875126	17/06/2015
6.	Mrs. Meera Shankar	06374957	17/06/2015

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, Chirag Shah and Associates

CS Chirag Shah
Partner
FCS No.: 5545
C. P. No. 3498
UDIN : F005545C000223906

Place : Ahmedabad
Date : 6th May, 2021

Business Responsibility Report

Section A: General Information about the Company

1. **Corporate Identity Number (CIN):** L40300GJ2013PLC077803
2. **Name of the Company:** Adani Transmission Limited
3. **Registered Address:** Adani Corporate House, Shantigram, Nr. Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382 421, Gujarat, India
4. **Website:**www.adanitransmission.com
5. **Email id:**jaladhi.shukla@adani.com
6. **Financial Year reported:** 01.04.2020 to 31.03.2021
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**

Group	Class	Sub-class	Description
351	3510	35107	Transmission of electric energy

   As per National Industrial Classification – Ministry of Statistics and Programme Implementations

8. **List three key products that the Company manufactures/provides (as in balance sheet):**

   The Company does not manufacture any product, but is involved in the business activities listed in the table above.

9. **Total number of locations where business activity is undertaken by the Company:**

   The total number of locations of the Company is as follows:

   (i) Number of international locations: N.A.

   (ii) Number of national locations: The Company is having Pan India Presence across 12 (twelve) States namely, - Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana, Jharkhand, Maharashtra, Madhya Pradesh, Rajasthan, Telangana , Uttar Pradesh and West Bengal.

10. **Markets served by the Company:** State, National

Section B: Financial Details of the Company

1. **Paid up capital (₹):** 1,099.81 Crores
2. **Total turnover (₹)**: 10,458.93 Crores (consolidated total revenue)
3. **Total Profit/(Loss) After Taxes (₹):** 1,289.57 Crores (Consolidated)
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax:**

   The Company carries its CSR activities through its dedicated CSR wing viz. Adani Foundation. During FY 2020-21, the Company has spent ₹0.23 Crore on standalone basis and ₹25.26 Crores on consolidated basis towards CSR activities.

5. **List of activities in which expenditure in 4 above has been incurred:**

   The major CSR activities are in the filed of Community Health & Education.

Section C: Other Details

1. **Does the Company have any Subsidiary Company / Companies?**

   Yes, the Company has 33 subsidiary companies as on 31st March, 2021.

2. **Do the subsidiary Company / companies participate in the BR initiatives of the parent Company?**

   Business Responsibility initiatives of the parent Company are applicable to the subsidiary companies to the extent that they are material in relation to the business activities of the subsidiaries.

3. **Do any other entity / entities that the Company does business with participate in the BR initiatives of the Company?**

   No other entity / entities participates in the BR initiatives of the Company.

Section D: BR Information

1. **Details of Director / Directors responsible for BR:**

   Details of the Director / Directors responsible for implementation of the BR policy/ policies:

   - **DIN:** 00006867
   - **Name:** Mr. Anil Sardana
   - **Designation:** Managing Director and CEO
   - Details of the BR head

Sr. No	Particulars	Details
1	DIN (if applicable)	00006867
2	Name	Mr. Anil Sardana
3	Designation	Managing Director and CEO
4	Telephone Number	(079) 2555 9910
5	E mail ID	anil.sardana@adani.com

2. **Principle-wise (as per NVGs) BR Policy / policies (Reply in Y/N):**

Sr. No.	Questions	Business Ethics	Product Life Responsibility	Employee Well-being	Stakeholder Engagement	Human Rights	Environment	Policy Advocacy	Inclusive Growth	Customer Value
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy /policies for....	Y	Y*	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify? (The policies are based on the NVG-guidelines in addition to conformance to the spirit of international standards like ISO 9000, ISO 14000, OHSAS 18000)	All the policies are compliant with respective principles of NVG Guidelines.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	https://www.adanitransmission.com/investors/corporate governance								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to key internal stakeholders. The communication is an ongoing process to cover all internal & external shareholders.								
8	Does the Company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y

Sr. No.	Questions	Business Ethics	Product Life Responsibility	Employee Well-being	Stakeholder Engagement	Human Rights	Environment	Policy Advocacy	Inclusive Growth	Customer Value
		P1	P2	P3	P4	P5	P6	P7	P8	P9
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

*While the Company does not manufacture any products, the policy addresses the aspects of environmental protection in the Company's transactions as activities.

2a. If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options).

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principle	NOT APPLICABLE								
2	The Company is not at stage where it finds itself in a position to formulate and implement the policies on specified principle									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next six month									
5	It is planned to be done within next one year									
6	Any other reason (please specify)									

3. Governance related to BR:

(i) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

The Managing Director & CEO periodically assesses the BR performance of the Company. The Board of Directors & committees review the Business Responsibility aspects of the Company atleast at each quarterly meeting.

(ii) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This report comprises the Company's Business Responsibility Report as per the National Voluntary Guidelines on Social, Environmental and Economic Responsibility of Business (NVG), which is published as a part of Annual Report. Till 2017-18, we were preparing a separate Annual Report and Sustainability Report. This is the third year that we have combined both the reports into one, presenting financial and non-financial metrics in an integrated report, for a more holistic picture of our purpose, performance and prospects.

Section E: Principle-wise Performance

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company has adopted a Code of Conduct for its Directors and Senior Management personnel. Additionally, the Policy on Code of Conduct for Employees applies to all employees across Adani Group of companies. These do not extend to any other entities. However, the Company has code of conduct for contractors, associates duly covering these aspects through its conditions of contract documentation. Any deviation through whistle blowers, is independently reviewed and taken to logical conclusion including forbidding contractors & associates for any subsequent association with the Company.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   No stakeholder complaints pertaining to the above Codes were received in the past financial year.

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   Company serves to carry electricity at bulk level and safety is ensured through rigorous process of compliance to statutory standards & independent oversight by competent Governmental authorities.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

   I. Reduction during sourcing / production / distribution achieved since the previous year through the value chain:

      Not applicable since the Company does not manufacture any products.

   II. Reduction during usage by consumers (energy, water) achieved since the previous year?

      Not applicable.

3 Does the Company have procedures in place for sustainable sourcing (including transportation)?

   Yes, the Company has criteria of benign sourcing; including related to its key equipments being deployed. The same is also followed related to ancillary power consumption of such electric equipments like drives & transformers.

4. Has the Company undertaken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

   Yes, the Company encourages buying products which are made by local communities. Such sourcing also helps to improve capacity building of locals.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? (Separately as < 5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   The Company adopts benign methods of waste disposal for electronic equipments through specialized & permissible disposal; also in respect of batteries. It adopts recharging for water; oil through retrieval, reprocessing and recycle.

Principle 3: Business should promote the wellbeing of all employees

1. Please indicate total number of employees:

   The Company together with its various subsidiaries has a total of about 5,285 permanent employees as of 31st March 2021.

2. Please indicate total number of employees hired on temporary/contractual/casual basis:

   The Company together with its various subsidiaries has a total of about 6,637 contractual / probationary employees as of 31st March 2021.

3. Please indicate the number of permanent women employees:

   The Company together with its various subsidiaries has a total of about 348 permanent woman employees as of 31st March 2021.

4. Please indicate the number of permanent employees with disabilities.

   The Company together with its various subsidiaries has a total of about 9 permanent employees with disabilities as of 31st March 2021.

5. Do you have an employee association that is recognized by the Management?

   The company does not have an employee association recognized under law.

6. What Percentage of permanent employees who are members of this recognized employee association?

   Not applicable.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and those pending as on the end of the financial year.

   There were no complaints of this nature during the financial year.

8. What Percentage of under mentioned employees were given safety and skill up-gradation training in the last year?

   Employee Learning & Development is crucial for organisational success and this is an integral part of whole organisation wide Human Resources Strategy.

The organisation has clearly defined Training & Development Policy – which cut across the organisational Vision & Mission and Values. The entire employees irrespective of their grade and status have been provided with opportunity to hone their skills & competencies.

The Company gives utmost importance to Safety; we are committed to providing a healthy and safe work environment to employees, contractors, all visitors etc. and also ensures that none of our activity creates danger to nearby community also. Our Company is certified with OHSAS 18001:2007 and ISO 45001:2018.

With a goal of "No Fatality, No Injuries and No Excuses", we demonstrate felt leadership on safety across all level of organization.

We strongly believe that Safety is a culture and should be embedded in the DNA of each and every individual.

We firmly believe that achieving 'Zero Harm' is possible, if we all strive for it. It is also important to emphasize that Working Safely is a condition of employment at the Company; a condition of engagement for all contractors and subcontractors and is not optional. Recording, reporting, investigating and learning from incidents are fundamentals and we do not accept any deviation on it.

During the year under review, the Company has undertaken following activities:

Safety Initiatives during FY 21

- 1,86,149 man-hours of safety training and awareness
- Training was conducted across the organization on effective usage of Gensuite mobile application
- With launch of Started safety related functional areas (SRFA) for all sites, training was conducted for 120 employees of O&M at multiple locations.
- Distribution of safety awareness material at all sites.
- Safety contact call is done with 100% employees for an hour each month, to sensitize all on safety.

With all our efforts we were able to achieve Zero Fatality during FY 2020-21.

Principle 4: Business should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the Company mapped its internal and external stakeholders?

   Yes, the Company's key stakeholders include employees, suppliers, customers, business partners, regulatory agencies and local communities around its sites of operations.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

   Yes, the Company has identified the disadvantaged, vulnerable and the marginalized sections within the local communities around its sites of operations.

3. Special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders:

   The Company firmly believes in the notion of sustainable community development. Assuming the role of a responsible corporate, it strives to create an environment of co-existence where there is an equitable sharing of resources followed by sustained growth and development of the community around. Hence, the subsidiaries of the Company, Adani Electricity Mumbai Limited, Adani Transmission (India) Limited and other 11 (Eleven) project subsidiary companies through the Adani Foundation, have undertaken several initiatives to engage with and ensure sustainable development of the marginalised groups in the local communities.

   Adani Foundation is the CSR arm of the Adani Group. Since its inception in 1996, the Foundation has been working in four core areas of Education, Community Health, Sustainable Livelihood Development and Community Infrastructure Development.

   The Adani Foundation stands for the values of courage, trust and commitment. What began in a few rural communities around Mundra port, Gujarat,has now expanded to 18 states in India, going far beyond the regions where Adani Group companies are functioning.

   Adopting an approach that embodies innovation, people participation and collaboration with key stakeholders, the Adani Foundation is achieving inclusive growth and bringing about sustainable development, thereby contributing towards nation building.

For more details on CSR activities of the Company, please refer Corporate Social Responsibility Report forming part of this Annual Report.

Principle 5: Business should respect and promote human rights

1. Does the Company's policy on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others?

   The Company has put in place a Human Rights Policy applicable to all Adani Group of Companies. The Company's commitment to follow the basic principles of human rights is embedded in "Code of Conduct" adopted by the Company. The Company strictly adheres to all applicable labor laws and other statutory requirements in order to uphold the human rights within its organisational boundary.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?

   No stakeholder complaints were received during the last financial year.

Principle 6: Business should respect, protect, and make effort to restore the environment

1. Does the policy pertaining to this Principle cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others?

   Environment policy of the Company enshrines dealing with other entities, that do not have any negative environmental impact and accordingly all such stakeholders are evaluated.

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y / N. If yes, please give hyperlink for web page etc.

   Yes, the Company is committed to addressing the global environmental issues such as climate change and global warming through energy conservation, efficient natural resource utilization and adoption of cleaner energy sources such as solar power. ATL is supporter of TCFD (Task-force on climate related financial disclosure) and weblink of it is attached herewith for your reference. (https://www.fsb-tcfd.org/supporters/)

3. Does the Company identify and assess potential environmental risks? Y/N

   Yes, the Company regularly identifies and assesses environmental risk during all stages of its existing and planned projects. It's a part of impact assessment methodology, as also is governed through statutory consent validation process.

4. Does the Company have any project related to Clean Development Mechanism (CDM)? If so provide details thereof, in about 50 words or so. Also, If Yes, whether any environmental compliance report is filed?

   Not Applicable

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc?

   ATL has undertaken certain initiatives for energy efficiency and renewable energy at portfolio level. By FY 21, 3% of transmission line delivered electricity mix of renewable procurement. In similar line, we are aiming to 30% renewable procurement by FY 23

   Following initiative are taken by Adani Dahanu Thermal Power Station (ADTPS) -

Energy Saving Project 20-21	Remark
HP Heater Performance improvement by attending parting plateleakage in U-1	Heat rate improved by 7.85Kcal/Kwh
Replacement of BFP Cartridge in BFP 1A	Due to this project total APCreduced by 580 KW/hr
Installation of Energy Efficient Lighting	Energy saving by 448.58Mwh

6. Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?

   Yes, the emissions / waste generated are within the permissible limits given by CPCB/SPCB.

7. Number of show cause / legal notices received from CPCB / SPCB which are pending

   There are no show cause / legal notices received from CPCB/SPCB which are pending as of end of financial year.

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chambers of association? If Yes, name only those major ones that your business deals with.

   Yes, the Company is a member of the following key association:

   1. The Confederation of Indian Industry (CII)
   2. Electric Power Transmission Association (EPTA)

3. Federation of Indian Chambers of Commerce and Industry (FICCI)
4. The Associated Chambers of Commerce and Industry of India (Assocham)
5. Association of Power Producers (APP)

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/No; If yes specify the broad areas (Governance and Administration, Economic Reform, Inclusive Development Polices, Energy security, Water, Food Security, Sustainable Business Principles, Others):

   Yes, through membership in the above industry body, the Company has advocated on the key issues impacting energy security, including but not limited to transmission evacuation, logistics and grant of clearances, environment and the community we work in.

Principle 8: Business should support inclusive growth and equitable development

1. Does the Company have specified programme/ initiatives/ projects in pursuit of the policy related to principle 8? If yes details thereof.

   The Company firmly believes in the notion of sustainable community development. Assuming the role of a responsible corporate, it strives to create an environment of co-existence where there is an equitable sharing of resources followed by sustained growth and development of the community around. Hence, the subsidiaries of the Company, Adani Electricity Mumbai Limited, Adani Transmission (India) Limited and other 11 (Eleven) project subsidiary companies through the Adani Foundation, have undertaken several initiatives to engage with and ensure sustainable development of the marginalised groups in the local communities.

   Adani Foundation is the CSR arm of the Adani Group. Since its inception in 1996, the Foundation has been working in four core areas of Education, Community Health, Sustainable Livelihood Development and Community Infrastructure Development.

   The Adani Foundation stands for the values of courage, trust and commitment. What began in a few rural communities around Mundra port, Gujarat, has now expanded to 18 states in India, going far beyond the regions where Adani Group companies are functioning.

   Adopting an approach that embodies innovation, people participation and collaboration with key stakeholders, the Adani Foundation is achieving inclusive growth and bringing about sustainable development, thereby contributing towards nation building.

   For more details on CSR activities of the Company, please refer Corporate Social Responsibility Report forming part of this Annual Report.

2. Are the programmes /projects undertaken through in-house team / own foundation /external NGO/Govt. structure /any other organisation?

   Adani Foundation is the well-structured Corporate Social Responsibility (CSR) arm of Adani Group. The foundation has an in-house dedicated experienced team of professionals that comprises of experts in domains of education, healthcare, infrastructure development, livelihood and other related fields to carry out the development work for the communities. The programs are carried out by the Adani Foundation across regions. But Adani Foundation has entered few resource & knowledge partnerships with several government agencies, non-governmental organizations and other corporations.

3. Have you done any impact assessment of your initiative?

   Yes, regular impact assessment studies are carried out by the foundation team to evaluate its various on-going programs and to analyze the quantum of transformation the programs are able to make on the lives of the communities. Also regular monthly, quarterly and yearly reviews of the programs are also carried out by the different levels of management.

4. What is the Company's direct monetary contribution to community development projects and details of projects undertaken?

   There was no direct monetary contribution of the Company to community development projects in FY 2020-21. The focus areas of the Company's community development projects are outlined in response to Question 5 under Section B.

5. Have you taken steps to ensure that community development initiative is successfully adopted by the community? Please explain in 50 words.

   Community participation is encouraged at all stages of our community development / CSR initiatives, including program planning, monitoring, implementation and assessment / evaluation.

   Our community engagement is strengthened through conducting third-party need assessment surveys, participatory rural appraisals as well as formation of Village Development Committees (VDCs) and Cluster Development Advisory Committee (CDAC), and Advisory Council with representation from the community, the government and the Company. This high level of engagement and participation of community members lead to a greater sense of ownership among the people, ensuring successful adoption and sustained outcomes.

Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner.

1. What Percentage of customer complaints / consumer cases are pending as on the end of FY 2020-21?

   There are no customer complaints / consumer cases pending as on end of FY 2020-21

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

   Not applicable.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as of end of FY 2020-21?

   There are no such pending cases against the Company in a court of law.

4. Did your Company carry out any consumer survey / consumer satisfaction trends?

   The Company has not carried out a formal consumer survey, however there is a continuous improvement process through which periodic feedback is taken on a regular basis from customers/stakeholders and immediate action is taken on any issues that they are facing.

Independent Auditor's Report

To The Members of Adani Transmission Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Adani Transmission Limited** ("the Company"), which comprise the Balance Sheet as at 31 March, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2021, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter Description	Auditor's Response
1	**Hedge accounting and the related disclosures for currency derivatives:** (Refer to Note 42 to the Standalone Financial Statements) We identified the hedge accounting for currency derivatives and the adequacy of the related disclosures as a key audit matter because the evaluation of hedge effectiveness involved management's judgement and estimation. Besides, the changes in fair values of these currency derivatives also had a significant impact on the standalone financial statements.	**Principal audit procedures performed:** ▪ Obtaining an understanding of and testing the design and implementation and operating effectiveness of the management's controls over the valuation of currency derivatives and hedge accounting. ▪ Inspecting the hedge documentations and contracts and evaluating the management's determination of mark to market valuations and assessment of hedge effectiveness, on a sample basis, to evaluate the accounting for these currency derivatives in accordance with the requirements of the relevant Indian Accounting Standards.

Sr. No.	Key Audit Matter Description	Auditor's Response
	As disclosed in note 42 to the standalone financial statements, the Company was exposed to currency risk primarily arising from Foreign currency denominated borrowings. As further disclosed in note 42 to the standalone financial statements, the Company utilised currency derivatives to hedge these Borrowings during the year ended 31 March, 2021.	▪ Obtaining confirmations directly from contract counterparties to verify the existence of each currency derivative held at 31 March, 2021. ▪ Reperforming mark-to-market valuations on a sample basis with the involvement of our internal fair valuation specialists, to evaluate the reasonability of fair values of the currency derivatives and the hedge effectiveness thereof has been appropriately determined by the management; and ▪ Assessed the adequacy of the disclosures in respect of the currency derivatives and hedge accounting in accordance with the disclosure requirements of Ind AS 107-Financial Instruments: Disclosures, Ind AS 113- Fair Value Measurement.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements -;

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Mohammed Bengali
(Partner)
(Membership No. 105828)
(UDIN: 21105828AAAABD8804)

Place: Mumbai
Date: 6 May, 2021

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Adani Transmission Limited** ("the Company") as of 31 March, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us , the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Mohammed Bengali
(Partner)
(Membership No. 105828)
(UDIN: 21105828AAAABD8804)

Place: Mumbai
Date: 6 May, 2021

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner, over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public and hence reporting under clause (v) of the CARO 2016 is not applicable.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(c) There are no dues of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Service Tax, cess as on March 31, 2021 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and dues to debenture holders. The Company has not taken any loans from financial institutions and government.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not paid / provided managerial remuneration to its directors, including managing director and whole time director , and its manager

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable Indian accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Mohammed Bengali
(Partner)
(Membership No. 105828)
(UDIN: 21105828AAAABD8804)

Place: Mumbai
Date: 6 May, 2021

Balance Sheet as at 31st March, 2021

(₹ in Crores)

Particulars	Notes	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
Non-current Assets			
Property, Plant and Equipment	5	0.79	0.92
Right of Use Assets	5a	0.16	0.32
Financial Assets			
(i) Investments	6	6,203.30	5,984.47
(ii) Loans	7	4,624.73	4,148.43
(iii) Other Financial Assets	8	837.08	237.80
Income Tax Assets (Net)	9	7.31	23.52
Other Non-current Assets	10	1.02	1.98
Total Non-current Assets		11,674.39	10,397.44
Current Assets			
Financial Assets			
(i) Trade Receivables	11	0.08	96.68
(ii) Cash and Cash Equivalents	12	8.02	800.78
(iii) Bank Balances other than (ii) above	13	10.04	375.23
(iv) Loans	14	200.00	810.41
(v) Other Financial Assets	15	284.81	448.71
Other Current Assets	16	7.58	4.87
Total Current Assets		510.53	2,536.68
Total Assets		12,184.92	12,934.12
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	17	1,099.81	1,099.81
Unsecured Perpetual Equity Instrument	18	2,829.70	3,279.42
Other Equity	19	157.10	431.21
Total Equity		4,086.61	4,810.44
Liabilities			
Non-current Liabilities			
Financial Liabilities			
(i) Borrowings	20	6,923.94	7,351.03
(ii) Other Financial Liabilities	21	-	0.16
Provisions	22	0.34	0.21
Total Non-current Liabilities		6,924.28	7,351.40
Current Liabilities			
Financial Liabilities			
(i) Borrowings	23	723.16	-
(ii) Trade Payables	24		
i. Total outstanding dues of micro enterprises and small enterprises		0.04	0.11
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises		9.00	124.11
(iii) Other Financial Liabilities	25	436.92	642.75
Other Current Liabilities	26	4.85	5.27
Provisions	22	0.06	0.04
Total Current Liabilities		1,174.03	772.28
Total Liabilities		8,098.31	8,123.68
Total Equity and Liabilities		12,184.92	12,934.12

See accompanying notes forming part of the financial Statements

As per our attached report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number : 117366W/W-100018

MOHAMMED BENGALI
Partner
Membership No. 105828

Place : Mumbai
Date : 6th May, 2021

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

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

JALADHI SHUKLA
Company Secretary
Place : Ahmedabad
Date : 6th May, 2021

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

(₹ in Crores)

Particulars	Notes	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Income			
Revenue from Operations	27	755.23	857.79
Other Income	28	679.43	795.83
Total Income		1,434.66	1,653.62
Expenses			
Purchases of Stock - in - Trade	29	754.43	857.21
Employee Benefits Expense	30	3.80	3.27
Finance Costs	31	690.24	767.19
Depreciation and Amortisation Expense	5 & 5a	0.29	0.30
Other Expenses	32	7.11	20.11
Total Expenses		1,455.87	1,648.08
Profit/(Loss) before tax		(21.21)	5.54
Tax Expense:			
Current Tax	33	-	-
Total Tax Expense		-	-
Profit/(Loss) after tax		(21.21)	5.54
Other Comprehensive Income			
(a) Items that will not be reclassified to Profit or Loss			
- Remeasurement of Defined Benefit Plans		(0.28)	0.24
(b) Tax relating to items that will not be reclassified to Profit or Loss		-	-
(c) Items that will be reclassified to Profit or Loss			
- Effective portion of gains /(losses) on designated portion of hedging instruments in a cash flow hedge		(20.95)	158.20
(d) Tax relating to items that will be reclassified to Profit or Loss		-	-
Total Other Comprehensive (Loss)/Income for the year (Net of Tax)		(21.23)	158.44
Total Comprehensive (Loss)/Income for the year		(42.44)	163.98
Earnings Per Equity Share (EPS) (in ₹)			
(Face Value ₹ 10 Per Share)			
Basic & Diluted Earnings Per Share	34	(2.30)	(3.43)

See accompanying notes forming part of the financial Statements

As per our attached report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number : 117366W/W-100018

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

MOHAMMED BENGALI
Partner
Membership No. 105828

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

JALADHI SHUKLA
Company Secretary
Place : Ahmedabad
Date : 6th May, 2021

Place : Mumbai
Date : 6th May, 2021

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

(₹ in Crores)

	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
A.	**Cash flows from operating activities**		
	Profit/(Loss) before tax	(21.21)	5.54
	Adjustments for:		
	- Depreciation and Amortisation Expense	0.29	0.30
	- Gain/(Loss) on Sale/Fair Value of Current Investments measured at FVTPL	(0.11)	(22.61)
	- Finance Costs	515.39	804.78
	- Unrealised Foreign Exchange (Gain)/Loss - Borrowings net of hedging	174.85	(37.59)
	- Unclaimed liabilities / Excess provision written back	-	(0.10)
	- Write downs in Inventory value	-	1.68
	- Allowance for Doubtful Debts	-	9.63
	- Gain on Sale of Non current Investment	-	(54.74)
	- Interest income	(674.99)	(718.38)
	Operating Loss before working capital changes	(5.78)	(11.49)
	Movement in Working Capital:		
	(Increase) / Decrease in Assets :		
	- Other financial assets and other assets	(6.71)	(3.94)
	- Trade Receivables	96.60	(96.59)
	Increase / (Decrease) in Liabilities :		
	- Other financial liabilities, other liabilities and provisions	(19.67)	23.64
	- Trade Payables	(102.65)	72.11
	Cash used in operations	(38.21)	(16.27)
	Direct Tax paid (Net of refunds)	16.21	(1.08)
	Net cash flows used in operating activities (A)	(22.00)	(17.35)
B.	**Cash flows from investing activities**		
	Payment for acquisition of property plant and equipment	0.40	0.35
	Acquisition of Subsidiary Companies	(563.24)	(50.22)
	Advance for Business Acquisition	-	(17.21)
	Payment for purchase of non-current financial assets		
	- Equity Shares- Subsidiary Companies	(78.12)	(124.88)
	Investment in Optionally Convertible Debentures of Subsidiary Company	(145.55)	(238.13)
	Investment in Compulsory Convertible Debentures of Subsidiary Company	(24.71)	-
	Proceeds on Redemption of non-current financial assets		
	- Preference Shares- Subsidiary Companies	544.65	-
	Proceeds from Redemption of Optionally Convertible Redeemable Debentures by Subsidiary Companies	-	608.06
	Proceeds on Sale of Equity Shares in Subsidiary Company	-	1,209.62
	Sale/(Purchase) of current investment (net)	0.11	112.71
	Proceeds from / (Deposits in) Bank deposits (net) (Including Margin money deposit)	(372.45)	(218.17)
	Loans given to Subsidiary Companies	(2706.21)	(6,969.75)
	Loans repaid by Subsidiary Companies	2887.70	6,916.78
	Interest received	648.11	741.92
	Net cash flows Generate from investing activities (B)	190.69	1,971.08

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

(₹ in Crores)

	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
C.	**Cash flows from financing activities**		
	Payment for Lease Liability including interest	(0.17)	(0.18)
	Proceeds from Long-term borrowings	33.29	4,436.26
	Repayment of Long-term borrowings	(505.32)	(3,396.60)
	Proceeds from Short-term borrowings	2,187.74	2,729.99
	Repayment of Short-term borrowings	(1,464.58)	(3,610.79)
	Proceeds from issue of Unsecured Perpetual Equity Instrument	-	700.00
	Repayment of Unsecured Perpetual Equity Instrument	(680.00)	(1,209.62)
	Distribution on Unsecured Perpetual Equity Instrument	(1.39)	(2.28)
	Finance costs paid	(531.02)	(830.95)
	Net cash flows used in financing activities (C)	(961.45)	(1,184.17)
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	(792.76)	769.56
	Cash and cash equivalents at the beginning of the year	800.78	31.22
	Cash and cash equivalents at the end of the year	8.02	800.78

(₹ in Crores)

Cash and cash equivalents includes - Refer note 12	As at 31st March, 2021	As at 31st March, 2020
Balances with banks		
- In current accounts	8.02	703.16
- Fixed Deposits (with original maturity for three months or less)	-	97.62
Total Cash and cash equivalents	8.02	800.78

Note:

For the year ended on 31st March, 2021 conversion of ICD to Subsidiary Company of ₹101.34 Crores into investment in Equity Shares, Optionally Convertible Debetures and Compulsory Convertible Debenture in Subsidiary Companies have been treated as non cash transactions.

For the year ended on 31st March, 2020 conversion of Unsecured Perpetual Instrument of ₹280.95 Crores, ICD to Subsidiary Company (including interest accrued) ₹460.25 Crores into investment in equity shares of the Subsidiary Company have been treated as non cash transactions.

Notes to Statement of Cash Flows:

1. The Statement of Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 "Statement of Cash Flows"
2. Disclosure under Para 44A as set out in Ind AS on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is given below:

Changes in liabilities arising from financing activities

(₹ in Crores)

Particulars	1st April, 2020	Cash Flows	Unrealised Foreign Exchange Gain/(Loss)	Other *	31st March, 2021
Long-term Borrowings (Including Current Maturities of Long Term Debt)	7,855.83	(472.03)	(253.12)	10.10	7,140.78
Short term Borrowings	-	723.16	-	-	723.16
Unsecured Perpetual Equity Instrument including Distribution (Net of Tax)	3,279.42	(681.39)	-	231.67	2,829.70
TOTAL	11,135.25	(430.26)	(253.12)	241.77	10,693.64

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

Changes in liabilities arising from financing activities

(₹ in Crores)

Particulars	1st April, 2019	Cash Flows	Unrealised Foreign Exchange Gain/(Loss)	Other*	31st March, 2020
Long-term Borrowings (Including Current Maturities of Long Term Debt)	6,305.54	1,039.66	522.50	(11.87)	7,855.83
Short term Borrowings	848.74	(880.79)	-	32.05	-
Unsecured Perpetual Equity Instrument including Distribution (Net of Tax)	3,408.03	(511.90)	-	383.29	3,279.42
TOTAL	10,562.31	(353.03)	522.50	403.47	11,135.25

* Including Distribution on Perpetual Equity Instrument

See accompanying notes forming part of the financial Statements

As per our attached report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number : 117366W/W-100018

MOHAMMED BENGALI
Partner
Membership No. 105828

Place : Mumbai
Date : 6th May, 2021

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

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

JALADHI SHUKLA
Company Secretary
Place : Ahmedabad
Date : 6th May, 2021

Statement of changes in equity for the year ended 31st March, 2021

A. Equity Share Capital

Particulars	No. Shares	(₹ in Crores)
Balance as at 1st April, 2019	1,09,98,10,083	1,099.81
i) Issue of shares during the year	-	-
Balance as at 31st March, 2020	1,09,98,10,083	1,099.81
i) Issue of shares during the year	-	-
Balance as at 31st March, 2021	1,09,98,10,083	1,099.81

B. Unsecured Perpetual Equity Instrument

Particulars	(₹ in Crores)
Balance as at 1st April, 2019	3,408.03
i) Add: Availed during the year	700.00
ii) Add: Distribution on Unsecured Perpetual Equity Instrument (Net of Tax)	381.01
iii) Less: Repaid during the year	(1,209.62)
Balance as at 31st March, 2020	3,279.42
i) Add: Availed during the year	-
ii) Add: Distribution on Unsecured Perpetual Equity Instrument (Net of Tax)	230.28
iii) Less: Repaid during the year	(680.00)
Balance as at 31st March, 2021	2,829.70

C. Other Equity

For the year ended 31st March, 2021

(₹ in Crores)

Particulars	Reserves and Surplus				Item of Other Comprehensive Income	Total
	Capital Reserve	General Reserve	Retained Earnings	Self Insurance Reserve	Effective portion of Cash flow Hedge	
Balance as at 1st April, 2019	**11.47**	**1,220.60**	**(405.22)**	**-**	**(176.33)**	**650.52**
Profit for the year	-	-	5.54	-	-	5.54
(Less): Distribution on Unsecured Perpetual Equity Instrument	-	-	(383.29)	-	-	(383.29)
Add: Other Comprehensive Income for the year (Net of Tax)	-	-	0.24	-	158.20	158.44
Balance as at 31st March, 2020	**11.47**	**1,220.60**	**(782.73)**	**-**	**(18.13)**	**431.21**
Profit for the year	-	-	(21.21)	-	-	(21.21)
Less : Transferred to Self Insurance Reserve		(12.65)	-	-	-	(12.65)
Add : Addition During the Year	-	-	-	12.65	-	12.65
(Less): Distribution on Unsecured Perpetual Equity Instrument	-	-	(231.67)	-	-	(231.67)
(Less): Other Comprehensive Income / (Loss) for the year (Net of Tax)	-	-	(0.28)	-	(20.95)	(21.23)
Balance as at 31st March, 2021	**11.47**	**1,207.95**	**(1,035.89)**	**12.65**	**(39.08)**	**157.10**

See accompanying notes forming part of the financial Statements

As per our attached report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number : 117366W/W-100018

MOHAMMED BENGALI
Partner
Membership No. 105828

Place : Mumbai
Date : 6th May, 2021

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

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

JALADHI SHUKLA
Company Secretary
Place : Ahmedabad
Date : 6th May, 2021

Notes to financial statements for the year ended 31st March, 2021

1 Corporate information

Adani Transmission Limited ("The Company") ("ATL") is a public limited company incorporated and domiciled in India, It's ultimate holding entity is S. B. Adani Family Trust (SBAFT), having its registered office at 'Adani Corporate House', Shantigram, Near Vaishno Devi Circle, S.G.Highway, Khodiyar, Ahmedabad - 382421, Gujarat, India. The Company and its subsidiaries (together referred to as "the Group") are engaged in the business of generation, transmission and distribution of power through India. The Group develops, owns and operates transmission lines across the States of Gujarat, Rajasthan, Bihar, Jharkhand, Uttar Pradesh, Maharashtra, Haryana, Chhattisgarh, Madhya Pradesh and West Bengal. Apart from the above the group also deals in various Bullion and Agro commodities.

The Group has entered into new business opportunities, being laying optical fibers on transmission lines with the ambition of providing telecom solutions to Telcos, Internet service providers and long distance communication operators .The commercialization of the network is being done through leasing out spare capacities to potential players in the Telecom sector.

2 Significant accounting policies

a Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IndAS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 ("the Act") (as amended from time to time).

b Basis of preparation and presentation

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The Function currency of the Company is Indian Rupee (₹). The financial statements are presented in ₹ and all values are rounded to the nearest Crores (Transactions below ₹ 50,000.00 denoted as ₹ 0.00 Crore.), unless otherwise indicated.

c Business combinations and Goodwill

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

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

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

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

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

Notes to financial statements for the year ended 31st March, 2021

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

d Current versus Non Current Classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

e Foreign Currency

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

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

(i) exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and

(ii) exchange differences on transactions entered into in order to hedge certain foreign currency risks (see note 42 for hedging accounting policies).

(iii) Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss within finance costs. All the other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis.

f Revenue Recognition

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

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

(i) Income from Services

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

(ii) Sale of Goods

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

Notes to financial statements for the year ended 31st March, 2021

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

There is no significant judgement involved while evaluating the timing as to when customers obtain control of promised goods and services.

(iii) Interest Income

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

(iv) Other Income

Other income is recognised when no significant uncertainty as to its determination or realisation exists.

g Taxation

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

(i) Current Tax :

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

Current income tax relating to items is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

(ii) Deferred Tax :

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

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

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

h Property, Plant and Equipment (PPE)

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

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and

Notes to financial statements for the year ended 31st March, 2021

accumulated impairment losses. Freehold land is not depreciated.

Fixtures and equipments are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

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

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

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

Estimated useful lives of assets are as follows:-

Type of Assets	Useful lives
Plant and Equipment	3-15 Years
Furniture and Fixtures	10 Years
Office Equipment	5 Years
Computer Equipment	3 Years
Vehicles	10 Years

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

i Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment losses (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash- generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

j Borrowing Costs

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

Notes to financial statements for the year ended 31st March, 2021

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

k Inventories

During the year the inventories were stated at the lower of weighted average cost or net realisable value. Costs include all non-refundable duties and all charges incurred in bringing the goods to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Unserviceable/damaged stores and spares are identified and written down based on technical evaluation.

l Employee benefits

Defined benefit plans

- The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees through Group Gratuity Scheme of Life Insurance Corporation of India. The Company accounts for the liability for the gratuity benefits payable in future based on an independent actuarial valuation carried out using Projected Unit Credit Method considering discounting rate relevant to Government Securities at the Balance Sheet Date.
- Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in the statement of profit and loss on the earlier of:
  - The date of the plan amendment or curtailment, and
  - The date that the Company recognises related restructuring costs
  - Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:
    - Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements; and
    - Net interest expense or income.
- A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.
- The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.
- Defined benefit costs in the nature of current and past service cost and net interest expense or income are recognized in the statement of profit and loss in the period in which they occur. Actuarial gains and losses on remeasurement is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur and is reflected immediately in retained earnings and not reclassified to profit or loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment.

Defined Contribution Plans

- Retirement Benefits in the form of Provident Fund and Family Pension Fund which are defined contribution schemes are charged to

Notes to financial statements for the year ended 31st March, 2021

the statement of profit and loss for the period in which the contributions to the respective funds accrue.

Compensated Absences

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

Short-term and other long-term employee benefits

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

m Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

n Financial instruments

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

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

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

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

(A) Financial assets

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

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

1) Classification of financial assets

- Financial assets that meet the following conditions are subsequently measured at amortised cost (except for financial assets that are designated at fair value through profit or loss on initial recognition):
- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- For the impairment policy on financial assets measured at amortised cost, Refer note 43
- All other financial assets are subsequently measured at fair value.

a) Financial assets at amortised cost

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

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

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

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

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

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

Notes to financial statements for the year ended 31st March, 2021

are immediately recognised in the Statement of Profit and Loss.

2) Effective interest method

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

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

3) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

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

4) Impairment of financial assets

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

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

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

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

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

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

5) Foreign exchange gains and losses

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

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

(B) Financial liabilities and equity instruments

1) Classification as debt or equity

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

2) Equity instruments

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

3) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the Effective Interest Rate (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

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

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

(a) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

(b) The financial liability whose performance is evaluated on a fair value basis, in accordance with the Company's documented risk management;

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

Fair values are determined in the manner described in Refer note 43

5) Financial liabilities at amortised cost

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

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

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

6) Foreign exchange gains and losses

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

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

7) Derecognition of Financial Liability

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

o Reclassification of financial assets and liabilities

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

p Offsetting of financial instruments

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

q Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement:

- In order to hedge its exposure to foreign exchange and interest rate risks, the Company enters into forward, Principle only Swaps (POS) and other derivative financial instruments. The Company does not hold derivative financial instruments for speculative purposes.
- Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.
- Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.
- Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the statement of profit and loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

Notes to financial statements for the year ended 31st March, 2021

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

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

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

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

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

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

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

i) Fair value hedges

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

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

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

ii) Cash flow hedges

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

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

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

r Cash & Cash Equivalents

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

s Statement of Cash Flows

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

Notes to financial statements for the year ended 31st March, 2021

t Provision, Contingent Liabilities and Contingent Assets

Provisions

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

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

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

Contingent liability

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

Contingent Assets

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

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

u Earnings Per Share

Basic earnings per equity share is computed by dividing the net profit/(loss) attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

v Leases

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

The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases as an expense in the statement of Profit and Loss on a straight-line basis over the lease term.

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

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease

Notes to financial statements for the year ended 31st March, 2021

term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method.

3 Critical accounting judgements and key sources of estimation uncertainty

The application of the Company's accounting policies as described in Note 2, in the preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

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

3.1 Control over Subsidiary (Critical accounting judgments)

During the year, the Company acquired 49% of paid-up equity capital of Alipurduar Transmission Limited (ALTL) with effect from 26th November, 2020 from Kalpataru Power Transmission Limited ("the Selling Shareholder") pursuant to Share Purchase Agreement ("SPA") dated 5th July, 2020. Adani Transmission Limited has finalised purchase consideration for acquisition of entire stake in ALTL and has entered into a binding agreement with the Selling Shareholder to acquire remaining 51% paid-up equity capital of ALTL from the Selling Shareholder. Considering the rights available to Adani Transmission Limited under the SPA, ATL has concluded that it controls ALTL.

3.2 Impairment of financial assets

Investments made / Intercorporate deposits (''ICDs'') given to subsidiaries (Key sources of estimation uncertainties)

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

3.3 Taxation

Deferred tax assets (Key sources of estimation uncertainties)

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

3.4 Fair value measurement of financial instruments (Key sources of estimation uncertainties)

In estimating the fair value of financial assets and financial liabilities, the Company uses market observable data to the extent available. Where such Level 1 inputs are not available, the Company establishes appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 43.

4 Standards issued but not effective / Impact of

Notes to financial statements for the year ended 31st March, 2021

new and amended Ind AS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2021.

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

In the current year, the below amendments to Ind ASs were effective for an annual period that begins on or after 1st April, 2020 and the impact of the amendments on the financial statements is as under :

Covid-19-related Rent Concessions – Amendments to Ind AS 116

The Company has not taken the benefit of the amendment.

Definition of a Business – Amendments to Ind AS 103

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

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

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

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

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

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

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

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

The Company has not taken the benefit of the amendment.

Notes to financial statements for the year ended 31st March, 2021

5. Property, Plant and Equipment

(₹ in Crores)

Description of Assets	Tangible Assets						
	Land (Free hold)	Plant and Equipment	Furniture and Fixtures	Office Equipment	Computer Equipment	Vehicles	Total
I. Gross Carrying Amount							
Balance as at 1st April, 2019	0.04	0.41	0.07	0.07	0.01	0.83	1.43
Additions during the Year	-	-	-	-	-	-	-
Disposals during the Year	-	-	-	-	-	0.09	0.09
Balance as at 31st March, 2020	0.04	0.41	0.07	0.07	0.01	0.74	1.34
Additions during the Year	-	-	-	-	-	-	-
Disposals during the Year	-	-	-	-	-	-	-
Balance as at 31st March, 2021	0.04	0.41	0.07	0.07	0.01	0.74	1.34
II. Accumulated depreciation							
Balance as at 1st April, 2019	-	0.11	0.02	0.06	0.01	0.08	0.28
Depreciation for the year	-	0.03	0.01	0.01	0.00	0.09	0.14
Eliminated on disposal of assets	-	-	-	-	-	-	-
Balance as at 31st March, 2020	-	0.14	0.03	0.07	0.01	0.17	0.42
Depreciation for the year	-	0.03	0.01	0.00	-	0.09	0.13
Eliminated on disposal of assets	-	-	-	-	-	-	-
Balance as at 31st March, 2021	-	0.17	0.04	0.07	0.01	0.26	0.55

Description of Assets	Land (Free hold)	Plant and Equipment	Furniture and Fixtures	Office Equipment	Computer Equipment	Vehicles	Total
Net Carrying Amount :							
As at 31st March, 2020	0.04	0.27	0.04	0.00	0.00	0.57	0.92
As at 31st March, 2021	0.04	0.24	0.03	0.00	0.00	0.48	0.79

(Figures below ₹ 50,000 denoted as ₹ 0.00 Crs.)

5a : Right of Use Assets

(₹ in Crores)

Particulars	Right of Use Assets	
	Plant and Equipment	Total
I. Gross carrying value		
Balance as at 1st April, 2019	-	-
On Transition to Ind AS 116	0.48	0.48
Additions during the year	-	-
Disposals during the year	-	-
Balance as at 31st March, 2020	0.48	0.48
Additions during the year	-	-
Disposals during the year	-	-
Balance as at 31st March, 2021	0.48	0.48
II. Accumulated Amortisation		
Balance as at 1st April, 2019	-	-
On Transition to Ind AS 116	-	-
Amortisation Charge for the year	0.16	0.16
Eliminated on disposal of assets	-	-
Balance as at 31st March, 2020	0.16	0.16

Notes to financial statements for the year ended 31st March, 2021

(₹ in Crores)

Particulars	Right of Use Assets	
	Plant and Equipment	Total
Amortisation Charge for the year	0.16	0.16
Eliminated on disposal of assets	-	-
Balance as at 31st March, 2021	0.32	0.32
Net Carrying Value		
As at 31st March, 2020	0.32	0.32
As at 31st March, 2021	0.16	0.16

(₹ in Crores)

Depreciation/Amortisation	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Depreciation on Tangible Assets	0.13	0.14
Amortisation of Right of Use Assets	0.16	0.16
Total	0.29	0.30

6 Non Current Financial Assets - Investments

(₹ in Crores)

Non Current Financial Assets - Investments	As at 31st March, 2021	As at 31st March, 2020
I. Investments - carried at Cost.		
(a) Investments in Equity Instruments - Unquoted		
Investments in Subsidiary Companies (Face value of ₹10 each)		
11,00,50,000 (31.03.2020 : 11,00,50,000) Equity Shares of Adani Transmission (India) Limited of ₹10 each	343.10	343.10
70,75,00,000 (31.03.2020 : 70,75,00,000) Equity Shares of Maharashtra Eastern Grid Power Transmission Company Limited of ₹10 each	903.50	903.50
4,40,00,000 (31.03.2020 : 4,40,00,000) Equity Shares of Sipat Transmission Limited of ₹10 each	44.00	44.00
9,11,00,000 (31.03.2020 : 9,11,00,000) Equity Shares of Raipur - Rajnandgaon-Warora Transmission Limited of ₹10 each	91.10	91.10
6,80,00,000 (31.03.2020 : 6,80,00,000) Equity Shares of Chhattisgarh-WR Transmission Limited of ₹10 each	68.00	68.00
84,99,999 (31.03.2020 : 84,99,999) Equity Shares of Adani Transmission (Rajasthan) Limited of ₹10 each	8.50	8.50
50,000 (31.03.2020 : 50,000) Equity Shares of North Karanpura Transco Limited of ₹10 each	0.05	0.05
89,40,000 (31.03.2020 : 89,40,000) Equity Shares of Maru Transmission Service Company Limited of ₹10 each	8.94	8.94
52,30,000 (31.03.2020 : 52,30,000) Equity Shares of Aravali Transmission Service Company Limited of ₹10 each	5.23	5.23
1,00,00,000 (31.03.2020 : 1,00,00,000) Equity Shares of Hadoti Power Transmission Service Limited of ₹10 each	10.00	10.00
80,00,000 (31.03.2020 : 80,00,000) Equity Shares of Barmer Power Transmission Service Limited of ₹10 each	8.00	8.00
70,00,000 (31.03.2020 : 70,00,000) Equity Shares of Thar Power Transmission Service Limited of ₹10 each	7.00	7.00
1,00,00,000 (31.03.2020 : 1,00,00,000) Equity Shares of Western Transco Power Limited of ₹10 each	11.84	11.84

Notes to financial statements for the year ended 31st March, 2021

6 Non Current Financial Assets - Investments (Contd.)

(₹ in Crores)

Non Current Financial Assets - Investments	As at 31st March, 2021	As at 31st March, 2020
1,00,00,000 (31.03.2020 : 1,00,00,000) Equity Shares of Western Transmission (Gujarat) Limited of ₹10 each	13.01	13.01
2,55,00,000 (31.03.2020 : 2,55,00,000) Equity Shares of Fatehgarh-Bhadla Transmission Limited of ₹10 each	25.50	25.50
11,43,80,000 (31.03.2020 : 8,22,50,000) Equity Shares of Ghatampur Transmission Limited of ₹10 each (Refer Note 1 below)	153.32	107.68
301,15,96,827 (31.03.2020 : 301,15,96,827) Equity Shares of Adani Electricity Mumbai Limited of ₹10 each	3,427.06	3,427.06
99,99,999 (31.03.2020 : 99,99,999) Equity Shares of Adani Transmission Bikaner Sikar Private Limited (Formerly known as 'KEC - Bikaner - Sikar Transmission Private Limited') of ₹10 each (Refer Note 1 below)	51.06	51.06
5,55,00,000 (31.03.2020 : 5,55,00,000) Equity Shares of OBRA-C Badaun Transmission Limited of ₹10 each	55.50	55.50
10,000 (31.03.2020 : 10,000) Equity Shares of AEML Infrastructure Limited of ₹10 each	0.01	0.01
5,00,66,649 (31.03.2020 : 10,000) Equity Shares of Bikaner Khetri Transmission Limited of ₹10 each	50.07	0.01
50,000 (31.03.2020 : 50,000) Equity Shares of WRSS XXI (A) Transco Limited of ₹10 each	0.05	0.05
50,000 (31.03.2020 : 50,000) Equity Shares of Lakadia Banaskantha Transco Limited of ₹10 each	0.05	0.05
2,12,50,000 (31.03.2020 : 50,000) Equity Shares of Jam Khambaliya Transco Limited of ₹10 each	21.25	0.05
10,000 (31.03.2020 : 10,000) Equity Shares of Arasan Infra Private Limited of ₹10 each	0.01	0.01
10,000 (31.03.2020 : 10,000) Equity Shares of Sunrays Infra Space Private Limited of ₹10 each	0.01	0.01
7,490 (31.03.2020 : 7,490) Equity Shares of Power Distribution Services Limited (Formerly known as 'Adani Electricity Mumbai Services Limited') of ₹10 each	0.01	0.01
50,000 (31.03.2020 : Nil) Equity Shares of Kharghar Vikhroli Transmission Private Limited of ₹10 each	0.05	-
5,56,31,020 (31.03.2020 : Nil) Equity Shares of Alipurduar Transmission Limited of ₹10 each	415.33	-
10,000 (31.03.2020 : Nil) Equity Shares of Adani Transmission Step One Limited of ₹10 each	0.01	-
29,70,00,000 (31.03.2020 : Nil) Equity Shares of Warora-Kurnool Transmission Limited of ₹10 each	0.00	-
Total (a)	5,721.56	5,189.27
(b) Investments in Preference Shares - Unquoted		
Investments in wholly owned Subsidiary Companies (Face value of ₹10 each)		
Investments in Optionally Convertible Redeemable Preference Shares - Unquoted		
Nil (31.03.2020 : 17,58,06,607) Preference shares of Adani Transmission (India) Limited of ₹10 each	-	175.81

Notes to financial statements for the year ended 31st March, 2021

6 Non Current Financial Assets - Investments (Contd.)

(₹ in Crores)

Non Current Financial Assets - Investments	As at 31st March, 2021	As at 31st March, 2020
Nil (31.03.2020 : 36,88,42,500) Preference shares of Maharashtra Eastern Grid Power Transmission Company Limited of ₹10 each	-	368.84
Total (b)	-	544.65
(c) Investments in 0% Compulsory Convertible Debentures (CCD) - Unquoted		
Investments in wholly owned Subsidiary Companies (Face value of ₹100 each)		
31,57,031 (31.03.2020 : 31,57,031) CCD of North Karanpura Transco Limited of ₹100 each	31.57	31.57
50,04,415 (31.03.2020 : Nil) CCD of Bikaner Khetri Transmission Limited of ₹100 each	50.04	-
Total (c)	81.61	31.57
Total I (a + b + c)	5,803.17	5,765.49
II. Investments - carried at Fair Value through profit or loss (FVTPL)		
(a) Investments in 0% Optionally Convertible Redeemable Preference Shares - Unquoted		
Investments in wholly owned Subsidiary Company (Face value of ₹10 each)		
3,45,00,000 (31.03.2020 : 3,45,00,000) Preference Shares of Adani Transmission Bikaner Sikar Private Limited (Formerly known as 'KEC - Bikaner - Sikar Transmission Private Limited') of ₹10 each	6.97	6.28
Total (a)	6.97	6.28
(b) Investments in Optionally Convertible Debentures (OCD) - Unquoted		
Investments in wholly owned Subsidiary Companies (Face value of ₹100 each)		
10.85% 3,35,50,373 (31.03.2020 : 2,38,13,373) OCD of Ghatampur Transmission Limited of ₹100 each	294.31	212.70
0% 98,84,830 (31.03.2020 : Nil) OCD of Bikaner Khetri Transmission Limited of ₹100 each	98.85	-
0% 18,60,68,844 (31.03.2020 : Nil) OCD of Warora-Kurnool Transmission Limited of ₹100 each	0.00	-
Total (b)	393.16	212.70
Total II (a+b)	400.13	218.98
Total (I + II)	6,203.30	5,984.47

(₹ in Crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Aggregate carrying value of unquoted investments		
Investment in Equity Instruments	5,721.56	5,189.27
Investment in Preference Shares	6.97	550.93
Investment in Compulsory Convertible Debentures	81.61	31.57
Investment in Optionally Convertible Debentures	393.16	212.70
Total	6,203.30	5,984.47

Notes to financial statements for the year ended 31st March, 2021

6 Non Current Financial Assets - Investments (Contd.)

Notes:

1) Value of Deemed Investment accounted in subsidiaries in term of fair valuation under Ind AS 109

(₹ in Crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Ghatampur Transmission Limited	38.94	25.43
Adani Transmission Bikaner Sikar Private Limited (Formerly known as 'KEC - Bikaner - Sikar Transmission Private Limited')	28.88	28.88
Total	67.82	54.31

2) Number of Shares/CCD/OCD pledged with Lenders against borrowings by the parent company and its subsidiaries are as per below :

	Number of Equity Shares Pledged	
	As at 31st March, 2021	As at 31st March, 2020
Subsidiary Companies		
Maharashtra Eastern Grid Power Transmission Company Limited	707,499,994	707,499,994
Adani Transmission (India) Limited	110,049,994	110,049,994
Sipat Transmission Limited	43,999,400	43,999,400
Raipur – Rajnandgaon – Warora Transmission Limited	91,099,400	91,099,400
Chhattisgarh – WR Transmission Limited	67,999,400	67,999,400
Adani Transmission (Rajasthan) Limited	8,499,993	6,815,000
Maru Transmission Service Company Limited	8,939,994	8,939,994
Aravali Transmission Service Company Limited	5,229,994	5,229,994
Hadoti Power Transmission Service Limited	9,999,994	9,999,994
Barmer Power Transmission Service Limited	7,999,994	7,999,994
Thar Power Transmission Service Limited	6,999,994	6,999,994
Western Transco Power Limited	8,100,000	5,100,000
Western Transmission (Gujarat) Limited	3,000,000	3,000,000
Adani Transmission Bikaner Sikar Private Limited (Formerly known as 'KEC - Bikaner - Sikar Transmission Private Limited')	9,999,993	9,999,993
Fatehgarh-Bhadla Transmission Limited	15,299,640	3,600,000
Ghatampur Transmission Limited	57,823,800	41,947,500
Adani Electricity Mumbai Limited	301,15,96,821	1,734,025,500
OBRA-C Badaun Transmission Limited	28,305,000	10,200,000
Alipurduar Transmission Limited	27,259,190	-
Bikaner Khetri Transmission Limited	21,435,835	-
Jam Khambaliya Transco Limited	3,000,000	-

	Number of Equity Shares to be Pledged	
	As at 31st March, 2021	As at 31st March, 2020
Subsidiary Companies		
Adani Transmission (Rajasthan) Limited	-	1,684,993
OBRA-C Badaun Transmission Limited	-	18,105,000
Adani Electricity Mumbai Limited	-	1,277,571,321
Jam Khambaliya Transco Limited	3,375,000	-
Bikaner Khetri Transmission Limited	4,097,850	-
Ghatampur Transmission Limited	510,010	-

Notes to financial statements for the year ended 31st March, 2021

6 Non Current Financial Assets - Investments (Contd.)

	Number of Preference Shares Pledged	
	As at 31st March, 2021	As at 31st March, 2020
Subsidiary Companies		
Western Transco Power Limited	510,000	510,000
Adani Transmission Bikaner Sikar Private Limited (Formerly known as 'KEC - Bikaner - Sikar Transmission Private Limited')	34,500,000	34,500,000

	Number of OCD Pledged	
	As at 31st March, 2021	As at 31st March, 2020
Subsidiary Companies		
Ghatampur Transmission Limited	16,957,695	12,144,821
Bikaner Khetri Transmission Limited	6,332,550	-

7 Non Current Financial Assets - Loans (At Amortised Cost)

(Unsecured, considered good)

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Loans to Subsidiary Companies (Refer Note 45)	4,617.99	4,142.49
Debt instruments carried at amortised cost : (Unquoted)		
0.01% Compulsorily Convertible Preference Shares in wholly owned subsidiary companies:		
10,00,000 (31.03.2020 : 10,00,000) Preference Shares of Western Transco Power Limited of ₹10 each	4.20	3.70
10,00,000 (31.03.2020 : 10,00,000) Preference Shares of Western Transmission (Gujarat) Limited of ₹10 each	2.54	2.24
Total	4,624.73	4,148.43

Notes:

1) 5,10,000 (31.03.2020 : 5,10,000) Preference shares of Western Transco Power Limited has been pledged.
2) Charges has been created on loans given to wholly owned subsidiaries namely -
   (i) Adani Transmission (India) Limited of ₹1205.54 Crores (31.03.2020 : ₹1409.70 Crores) and
   (ii) Maharashtra Eastern Grid Power Transmission Company Limited of ₹2132.58 Crores (31.03.2020 : ₹2040.45 Crores)

8 Non Current Financial Assets - Others

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Advance for Business Acquisition	-	17.21
Balances held as Margin Money or security against borrowings	737.65	-
Derivative instruments designated in hedge accounting relationship (Refer note 42)	99.41	220.59
Security Deposits	0.02	-
Total	837.08	237.80

For Charge created on aforesaid assets, Refer note 20

Notes to financial statements for the year ended 31st March, 2021

9 Income Tax Assets (Net)

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Advance Income Tax [Net of Provision ₹12.63 Crores (As at 31st March, 2020 ₹12.63 Crores)]	7.31	23.52
Total	7.31	23.52

10 Non Current Assets - Others (Unsecured, considered good)

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Capital Advances	-	0.00
Group Gratuity Fund (Includes contribution of subsidiaries)	1.02	1.98
Total	1.02	1.98

For Charge created on aforesaid asset, Refer note 20

11 Trade Receivables

(Unsecured otherwise stated)

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Unsecured, Considered Good	0.08	96.68
Credit Impaired	9.61	9.61
	9.69	106.29
Less : Allowance for Doubtful Debts	9.61	9.61
Total	0.08	96.68

11a Age of Trade Receivable

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Within the Credit Period	0.08	96.68
Above the Credit Period	9.61	9.61
Total	9.69	106.29

Movement in the allowance for Doubtful Debts

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Balance at the beginning of the year	9.61	-
Add: Provision made during the year	-	9.61
Balance at the end of the year	9.61	9.61

Notes to financial statements for the year ended 31st March, 2021

12 Cash and Cash equivalents

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Balances with banks		
In current accounts	8.02	703.16
Fixed Deposits (with original maturity for three months or less)	-	97.62
Total	8.02	800.78

For Charge created on aforesaid assets, Refer note 20

13 Bank balance other than Cash and Cash equivalents

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Fixed Deposits (with original maturity for more than three months)		
- Others	-	375.00
- Margin Money	10.04	0.23
Total	10.04	375.23

(Margin Money Against Bank Guarantees and Debt Service Reserve Account)

For Charge created on aforesaid asset, Refer note 20

14 Current Financial Assets - Loans (At Amortised Cost)

(Unsecured, Considered Good)

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Loans to Subsidiary Companies (Refer Note 45)	200.00	810.41
Total	200.00	810.41

For Charge created on aforesaid assets, Refer note 20

15 Current Financial Assets - Other (Unsecured, considered good)

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Interest receivable	259.60	234.21
Derivative instruments designated in hedge accounting relationship (Refer note 42)	-	211.18
Security deposits	-	0.02
Other Receivable	25.21	3.30
Total	284.81	448.71

For Charge created on aforesaid assets, Refer note 20

Notes to financial statements for the year ended 31st March, 2021

16 Other Current Assets

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Advances to Suppliers	0.75	0.54
Balances with Government authorities	6.78	4.19
Prepaid Expenses	0.05	0.14
Total	7.58	4.87

For Charge created on aforesaid assets, Refer note 20

17 Equity Share Capital

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Authorised Share Capital		
150,00,00,000 (31.03.2020 - 150,00,00,000) Equity shares of ₹ 10 each	1,500.00	1,500.00
Total	1,500.00	1,500.00
Issued, Subscribed and Paid-up Equity Shares Capital		
109,98,10,083 (31.03.2020 - 109,98,10,083) Equity shares of ₹ 10 each fully paid up.	1,099.81	1,099.81
Total	1,099.81	1,099.81

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

Equity Shares	As at 31st March, 2021		As at 31st March, 2020	
	No. Shares	(₹ in Crores)	No. Shares	(₹ in Crores)
At the beginning of the Year	1,099,810,083	1,099.81	1,099,810,083	1,099.81
Issued during the year	-	-	-	-
Outstanding at the end of the year	1,099,810,083	1,099.81	1,099,810,083	1,099.81

b. Terms/rights attached to equity shares

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

c. Aggregate Number of shares issued, Shares issued for consideration other than cash during the period of 5 years immediately preceding the reporting date:

	As at 31st March, 2021	As at 31st March, 2020
Company has issued and allotted fully paid up equity shares of ₹10 Each, to the equity shareholders of Adani Enterprises Limited ("AEL") pursuant to the Composite Scheme of Arrangement during F.Y. 2015-16	1,099,810,083	1,099,810,083

Notes to financial statements for the year ended 31st March, 2021

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

	As at 31st March, 2021		As at 31st March, 2020	
	No. Shares	% holding in the class	No. Shares	% holding in the class
Equity shares of ₹10 each fully paid				
- Shri Gautam S. Adani / Shri Rajesh S. Adani (on behalf of S.B. Adani Family Trust)	621,197,910	56.48%	621,197,910	56.48%
- Adani Tradeline LLP (Formally known as Parsa Kente Rail Infra LLP)	99,491,719	9.05%	99,491,719	9.05%
	720,689,629	65.53%	720,689,629	65.53%

18 Unsecured Perpetual Equity Instrument

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Opening Balance	3,279.42	3,408.03
Add: Availed during the year	-	700.00
Add: Distribution on Unsecured Perpetual Equity Instrument (Net of Tax)	230.28	381.01
Less: Repaid during the year	680.00	1,209.62
Closing Balance	2,829.70	3,279.42

The Company has issued Unsecured Perpetual Equity Instrument (the "Instrument") to Adani Infra (India) Limited. This Instrument are perpetual in nature with no maturity or redemption and are callable only at the option of the Company. The distribution on part of these Instrument i.e. ₹2,129.70 Crores (As at 31.03.2020: ₹2,579.42 Crores) outstanding as at 31st March, 2021 are fixed at coupon rate of 11.80% p.a. compounded annually and for remaining amount i.e. ₹700.00 Crores (As at 31.03.2020: ₹700 Crores) outstanding as at 31st March, 2021 are without any coupon rate. The obligation of the Company to repay the outstanding amounts shall rank on a pari passu basis with the obligations of the company to make payments/distributions in relation to any parity securities issued/ to be issued by the company and be senior to the obligations of the company to make payments/distributions in relation to preference and equity share capital and any other securities at par with preference and equity share capital of the Company.

As this Instrument are perpetual in nature and ranked senior only to the Share Capital of the Company and the Company does not have any redemption obligation, these are considered to be in the nature of equity instruments.

19 Other Equity

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
a. Capital Reserve (refer note (i) below)	11.47	11.47
Total (a)	11.47	11.47
b. Effective portion of cash flow Hedge (refer note (ii) below)		
Hedge Reserve		
Opening Balance	(18.13)	(176.33)
Add: Effective portion of cash flow hedge for the year	(20.95)	158.20
Closing Balance Total (b)	(39.08)	(18.13)

Notes to financial statements for the year ended 31st March, 2021

19 Other Equity (Contd.)

(₹ in Crores)

		As at 31st March, 2021	As at 31st March, 2020
c.	General Reserve (refer note (iii) below)		
	Opening Balance	1,220.60	1,220.60
	Less : Transferred to Self Insurance Reserve	(12.65)	-
	Closing Balnce Total (c)	1,207.95	1,220.60
d.	Self Insurance Reserve (refer note (iv) below)		
	Opening Balance	-	-
	Add : Addition During the Year	12.65	-
	Closing Balnce Total (d)	12.65	-
e.	Retained Earnings (refer note (v) below)		
	Opening Balance	(782.73)	(405.22)
	Add: Profit/(Loss) for the year	(21.21)	5.54
	Add: Other comprehensive income arising from remeasurement of Defined Benefit Plans	(0.28)	0.24
	(Less): Distribution on Unsecured Perpetual Equity Instrument	(231.67)	(383.29)
	Closing Balance Total (e)	(1,035.89)	(782.73)
	Total (a + b + c + d + e)	157.10	431.21

Notes:

i. *Capital Reserve* : It has been created on acquisition of subsidiary companies.

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

iii. *General Reserve* : It has been created pursuant to the demerger of transmission undertaking of Adani Enterprises Limited into the company. The general reserve is used from time to time to transfer profit from retained earnings for apportion purposes.

iv. *Self Insurance Reserve* : The company has decided that insurance of the transmission lines of subsidiary companies would be through the self-insurance to mitigate the loss of assets hence a reserve has been created in current year. The insurance of sub stations of subsidiary companies are covered through insurance companies under all risk policy.

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

20 Non Current Financial Liabilities - Borrowings

(₹ in Crores)

	Non-current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Secured				
Bonds				
4.00% USD Bonds	3,606.14	3,725.85	-	-
4.25% USD Bonds	3,284.50	3,625.18	216.84	129.90

Notes to financial statements for the year ended 31st March, 2021

20 Non Current Financial Liabilities - Borrowings (Contd.)

(₹ in Crores)

	Non-current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Non convertible Debentures				
9.35% Non Convertible Debentures	-	-	-	164.94
9.85% Non Convertible Debentures	-	-	-	209.96
Total	6,890.64	7,351.03	216.84	504.80
Amount disclosed under the head Current Financial Liabilities - Others (Refer note 25)	-	-	(216.84)	(504.80)
Net amount	6,890.64	7,351.03	-	-
Unsecured				
From Related Parties (Refer note 45)	33.30	-	-	-
Net amount	33.30	-	-	-
Total	6,923.94	7,351.03	-	-

Notes

Borrowings	Security	Terms of Repayment
Secured 4.00% USD Bonds	- The USD Bonds are secured by way of first ranking pari passu charge in favour of the Security trustee (for the benefit of the Bond/Debenture holders): **a.** Mortgage of land situated at Sanand. **b.** Hypothecation of all the assets (movable and immovable) including current assets of the Company. **c.** Pledge over 100% equity shares of Adani Transmission (India) Limited (ATIL) and Maharashtra Eastern Grid Power Transmission Company Limited (MEGPTCL), both are wholly owned subsidiaries of the company. **d.** accounts and receivables of ATIL and MEGPTCL and also the operating cash flows, book debts, loans and advances, commissions, dividends, interest income, revenues present and future of ATIL and MEGPTCL.	- 4.00% 500 Million (31st March, 2020 - 500 Million) USD Bonds aggregating to ₹3,655.50 Crores (31st March, 2020- ₹3,783.25 Crores) are redeemable by bullet payment in FY 2026.
Secured 4.25% USD Bonds		- 4.25% 482.50 Million (31st March, 2020 - 500 Million) USD Bonds aggregating to ₹3,527.56 Crores (31st March, 2020- ₹3,783.25 Crores) are redeemable by Half yearly payment starting from May 2020 to May 2036.
Secured Non Convertible Debentures (NCDs)		- ₹ NCDs aggregating to ₹ Nil (31st March 2020 ₹375 Crores) were redeemable at different maturities in FY 2020-21.
Unsecured Inter Corporate Loan	-	- 9% Inter Corporate Loan of ₹ 33.30 Crores (31st March, 2020 - ₹ Nil) from related party is repayable in FY 2021-25.

21 Non Current Financial Liabilities - Others

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Lease Liability (Refer Note 37)	-	0.16
Total	-	0.16

Notes to financial statements for the year ended 31st March, 2021

22 Provisions

(₹ in Crores)

	Non-current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Provision for Compensated Absences (Refer note 40)	0.34	0.21	0.06	0.04
Total	0.34	0.21	0.06	0.04

23 Current Financial Liabilities - Borrowings

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Secured Borrowings		
Term Loan		
- From Banks	20.00	-
Bank Over Draft	352.39	-
	372.39	-
Unsecured Borrowings		
- From Related Party (Refer Note 45)	350.77	-
	350.77	-
Total	723.16	-

Notes:

- The Secured Term Loan from bank amounting to ₹20 Crores (31st march, 2020 ₹ Nil) carries an interest rate of 6.75% p.a.
- The Bank Over draft is carrying an interest rate of 8.25% p.a.
- Inter-corporate Loan from related party of ₹350.77 Crore (as at 31st March 2020 ₹ Nil) carries an interest rate of 11.80% p.a.

24 Trade Payables

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Trade Payables		
- Total outstanding dues of micro enterprise and small enterprise	0.04	0.11
- Total outstanding dues of creditors other than micro enterprise and small enterprise	9.00	124.11
Total	9.04	124.22

The Disclosure in respect of the amounts payable to Micro and Small Enterprises have been made in the standalone Financial Statements based on the information received and available with the company. The Company has not received any claim for interest from any supplier as at the balance sheet date. Hence, disclosure as per MSME Act is not required. These facts have been relied upon by the auditors.

Notes to financial statements for the year ended 31st March, 2021

24 Trade Payables (Contd.)

(₹ in Crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) The principal amount remaining unpaid to any supplier at the end of each accounting year	0.04	0.11
(b) Interest due on principal amount remaining unpaid to any supplier at the end of each accounting year	-	0.00
(c) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(d) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(e) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	0.00
(f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

25 Current Financial Liabilities - Others

(₹ in Crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current maturities of long-term borrowings (Secured) (Refer Note 20)	216.84	504.80
Interest accrued but not due on borrowings	85.20	114.09
Derivative instruments designated in hedge accounting relationship (Refer note 42)	129.99	-
Payable on purchase of property, plant and equipment	0.47	0.32
Lease Liability (Refer note 37)	0.17	0.17
Advance From Customers	4.00	-
Other Financial liabilities	0.25	23.37
Total	436.92	642.75

26 Other Current Liabilities

(₹ in Crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Statutory Liabilities	4.85	5.27
Total	4.85	5.27

Notes to financial statements for the year ended 31st March, 2021

27 Revenue from Operations

(₹ in Crores)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Sale of Services	0.23	0.24
Sale of Traded Goods	755.00	857.55
Total	755.23	857.79

Details of Revenue from Contract with Customer

Contract balances:

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

(₹ in Crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Trade receivables (Refer note 11)	0.08	96.68
Contract assets	-	-
Contract liabilities	-	-

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

Reconciliation of revenue recognised in the statement of profit and loss with the contracted price:

(₹ in Crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Revenue as per contracted price	755.23	857.79
Adjustments		
Discounts	-	-
Revenue from contract with customers	755.23	857.79

28 Other Income

(₹ in Crores)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest Income		
- Bank	56.72	7.41
- Loans & Advance	616.58	710.17
- Others	1.68	0.80
Gain on sale of Non current investment	-	54.74
Gain on Sale/Fair Value of Current Investments measured at FVTPL	0.11	22.61
Unclaimed liabilities / Excess provision written back	-	0.10
Other Income	4.34	-
Total	679.43	795.83

29 Purchases of Stock - in - trade

(₹ in Crores)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Purchases of Stock - in - trade	754.43	857.21
Total	754.43	857.21

Notes to financial statements for the year ended 31st March, 2021

30 Employee Benefits Expense

(₹ in Crores)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Salaries, Wages and Bonus	3.65	3.05
Contribution to Provident and Other Funds *	0.11	0.09
Staff Welfare Expenses	0.04	0.13
Total	3.80	3.27

* Including contribution to Gratuity expense of ₹-0.06 Crores (PY ₹-0.07 Crores)

31 Finance costs

(₹ in Crores)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest Expenses	373.95	533.79
Interest on Lease Obligation	0.02	0.03
Bank Charges & Other Borrowing Costs	6.12	17.98
Foreign Exchange Fluctuation Loss - Borrowings (Net)*	55.13	1.32
Interest - Hedging Cost	255.02	214.07
Total	690.24	767.19

* Note : Including Mark to Market Gain of ₹ 313.05 Crores (P.Y. ₹521.75 Crores) on Derivative Instruments designated in hedge accounting relationship.

32 Other Expenses

(₹ in Crores)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Stores and Spares Consumed	0.08	-
Repairs and Maintenance - Others	-	0.05
Legal & Professional Expenses	5.17	5.89
Directors' Sitting Fees	0.18	0.22
Corporate Social Responsibility (Refer Note 38)	0.23	0.23
Payment to Auditors (Refer note below)	0.52	0.47
Bid & Tender Expense	0.32	0.86
Communication Expenses	0.01	0.01
Travelling & Conveyance Expenses	0.00	0.36
Write downs in Inventory value	-	1.68
Allowance for Doubtful Debts	-	9.63
Miscellaneous Expenses	0.60	0.71
Total	7.11	20.11

Notes to financial statements for the year ended 31st March, 2021

32 Other Expenses (Contd.)

Payment to Auditors (Refer note below)

(Excluding Goods and Service Tax)

(₹ in Crores)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
As auditor:		
Statutory Audit Fees	0.43	0.44
Out of pocket expenses	0.02	0.01
Others	0.07	0.02
Total	0.52	0.47

Note: During the previous year, above amounts excludes sum of ₹0.89 crores (inclusive of GST) paid for services rendered relating to issuance of long term debt which has been considered for purposes of calculating Effective Interest Rate.

(Figures below ₹50,000 are denominated by ₹0.00 Crs.)

33 a) Income Tax

(₹ in Crores)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Income Tax Expenses		
Current Tax :		
Current Income Tax Charge (MAT)	-	-
	-	-

Pursuant to the Taxation Law (Amendment) Ordinance, 2019 ("Ordinance") issued by Ministry of Law and Justice (Legislative Department) on 20th September 2019 effective from 01st April 2019, domestic companies have a non-reversible option to pay Corporate income tax rate at 22% plus applicable surcharge and cess ("New tax rate") subject to certain conditions. Based on the assessment, the Company has decided to opt for the New tax rate i.e. 25.168% from financial year 2019-20 and there is no material financial impact on financial statements.

(₹ in Crores)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Accounting profit/(loss) before tax	(21.21)	5.54
Income tax using the company's domestic tax rate @ 25.168%	-	1.39
Tax Effect of :		
i) Incremental depreciation / allowance allowable on assets	0.04	0.04
ii) Differences in respect of Distribution on Perpetual Equity Instrument	58.28	96.47
iii) Current year losses for which no Deferred Tax Asset is created	(64.03)	(97.84)
iv) Temporary Difference	(0.48)	(0.06)
v) Others	6.19	-
Income tax recognised in statement of profit and loss at effective rate Total	-	-

Notes to financial statements for the year ended 31st March, 2021

33 Income Tax (Contd.)

Unrecognised deductible temporary differences, unused tax losses and unused tax credits

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following :

(₹ in Crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unused tax credits	-	-
Unused tax losses (Revenue in nature) and Unabsorbed depreciation*	1000.62	767.89

* - The Company is having carried forward losses aggregating ₹1,000.29 Crore (Previous Year ₹767.56 Crore) under the Income Tax Act, 1961.

- Deferred tax assets has not been recognised in respect of the unabsorbed depreciation and unabsorbed losses of the Company aggregating to ₹1000.62 Crore (Previous year ₹767.89 Crore) as they may not be used fully against taxable profits of the Company in near future or other evidence of recoverability in the near future. The expiry of unrecognised Unabsorbed depreciation and losses is as detailed below:

(₹ in Crores)

As at 31st March, 2021	Business Losses	Unabsorbed Depreciation	Total
Within One Year	-	-	-
Greater than one year, less than five years	137.19	-	137.19
Greater than five years	863.10	-	863.10
No expiry date	-	0.33	0.33
Total	1,000.29	0.33	1,000.62

(₹ in Crores)

As at 31st March, 2020	Business Losses	Unabsorbed Depreciation	Total
Within One Year	-	-	-
Greater than one year, less than five years	62.70	-	62.70
Greater than five years	704.86	-	704.86
No expiry date	-	0.33	0.33
Total	767.56	0.33	767.89

34 Earnings Per Share (EPS)

Particulars		For the year ended 31st March, 2021	For the year ended 31st March, 2020
Basic and Diluted EPS - From Total Operations			
Profit/(Loss) after tax	(₹ in Crores)	(21.21)	5.54
Less: Distribution on Unsecured Perpetual Equity Instrument	(₹ in Crores)	(231.67)	(383.29)
Loss attributable to equity shareholders	(₹ in Crores)	(252.88)	(377.75)
Weighted average number of equity shares outstanding during the year	No.	1,099,810,083	1,099,810,083
Nominal Value of equity share	₹	10	10
Basic and Diluted EPS	₹	(2.30)	(3.43)

Notes to financial statements for the year ended 31st March, 2021

35 Contingent liabilities and commitments :

(i) Performance bank guarantee given by the Company on behalf of Subsidiary companies, ₹ 361.79 Crores (Previous year ₹ 352.00 Crores) against which the subsidiary companies have taken counter guarantees from their respective EPC contractors.

(ii) The Company has funding commitments to a subsidiary, the occurrence and amounts of which are contingent on occurrence of future events.

36 (i) During the year, ATL has signed a Share Purchase Agreement (SPA) and completed the acquisition of the SPV, Kharghar Vikhroli Transmission Private Limited (KVPTL) on 25th June, 2020, incorporated by Maharashtra State Electricity Transmission Company Ltd. (MSETCL). KVPTL will build, own, operate and maintain the transmission project in the state of Maharashtra for a period of 35 years. This Project comprises of approximately 34 Km of 400 kV and 220 kV transmission lines along with 1500 MVA 400 kV GIS Substation at Vikhroli in Mumbai.

(ii) During the year, Adani Transmission Step-One Limited was incorporated as wholly owned subsidiary company on 23rd September, 2020 and Adani Electricity Mumbai Limited, subsidiary of the Company, had incorporated AEML Seepz Limited as a wholly owned subsidiary on 08th December, 2020.

(iii) During the year 2020-21, the Company acquired 49% of paid-up equity capital of Alipurduar Transmission Limited (ALTL) with effect from 26th November, 2020 from Kalpataru Power Transmission Limited ("the Selling Shareholder") pursuant to Share Purchase Agreement ("SPA") date 5th July, 2020. Adani Transmission Limited has finalised purchase consideration for acquisition of entire stake in ALTL and has entered into a binding agreement with the Selling Shareholder to acquire remaining 51% paid-up equity capital of ALTL from the Selling Shareholder. Considering the rights available to Adani Transmission Limited under the SPA, Adani Transmission Limited has concluded that it controls ALTL.

(iv) During the year, ATL has signed a Share Purchase Agreement (SPA) and completed the acquisition of Warora-Kurnool Transmission Limited ("WKTL") with effect from 31st March, 2021. WKTL will develop, operate and maintain transmission lines aggregating to 1,750 ckt km. The 765 kV inter-state transmission line links Warora–Warangal and Chilakaluripeta-Hyderabad–Kurnool with a 765/400 kV new sub-station at Warangal.

37 Leases

Disclosure under Ind AS 116 Leases:

(₹ in Crores)

Particulars	Amount
Balance as at 1st April, 2020	0.33
Finance Costs incurred during the year	0.02
Net Payments of Lease Liabilities	(0.17)
Balance as at 31st March, 2021 (Refer note 21 and 25)	0.17

Notes to financial statements for the year ended 31st March, 2021

38 Corporate Social Responsibility (CSR)

As per section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company. The funds are utilized on the activities which are specified in Schedule VII of the Companies Act, 2013. The utilisation is done by way of contribution towards various activities.

(a) Gross amount as per the limits of Section 135 of the Companies Act, 2013 : ₹0.23 Crores. (Previous year : ₹0.23 Crores)

(b) Amount spent and paid during the year ended 31st March, 2021 : ₹0.23 Crores. (Previous year : ₹0.23 Crores)

(₹ in Crores)

Sr No	Particulars	Amount Incurred and Paid	Amount yet to be Incurred	Total
(i)	Construction/acquisition of any assets	-	-	-
(ii)	On purpose other than (i) above	0.23	-	0.23
Total		0.23	-	0.23

39 Segment Reporting

The Company's operations fall under single segment namely "Trading business" hence no separate disclosure of segment reporting is required to be made as required under Ind AS 108 'Operating Segments'.

40 As per Ind AS 19 "Employee Benefits", the disclosures are given below.

The Company has a defined benefit gratuity plan (funded) and is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed at least five year of service is entitled to gratuity benefits on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India (LIC) in form of a qualifying insurance policy for future payment of gratuity to the employees.

Each year, the management reviews the level of funding in the gratuity fund. Such review includes the asset – liability matching strategy. The management decides its contribution based on the results of this review. The management aims to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

(a) (i) Defined Benefit Plan

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

The status of gratuity plan as required under Ind AS-19:

(₹ in Crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
i) Reconciliation of Opening and Closing Balances of defined benefit obligation		
Present Value of Defined Benefit Obligations at the beginning of the Year	0.24	0.36
Current Service Cost	0.07	0.05
Interest Cost	0.02	0.03
Re-measurement (or Actuarial) (gain) / loss arising from:		
- Change in demographic assumptions	-	0.00
- Change in financials assumptions	-	0.01
- Experience variance (i.e. Actual experience vs assumptions)	0.06	(0.26)
Liabilities Transfer In/Out	-	0.04

Notes to financial statements for the year ended 31st March, 2021

40 As per Ind AS 19 "Employee Benefits", the disclosures are given below. (Contd.)

(₹ in Crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Benefits paid	-	-
Present Value of Defined Benefit Obligations at the end of the Year	0.39	0.24
ii). Reconciliation of Opening and Closing Balances of the Fair value of Plan assets		
Fair Value of Plan assets at the beginning of the Year	2.22	1.92
Investment Income	0.15	0.15
Contributions	-	0.15
Benefits paid	(0.74)	-
Return on plan assets, excluding amount recognised in net interest expenses	(0.22)	-
Fair Value of Plan assets at the end of the Year	1.41	2.22
iii). Reconciliation of the Present value of defined benefit obligation and Fair value of plan assets		
Present Value of Defined Benefit Obligations at the end of the Year	0.39	0.24
Fair Value of Plan assets at the end of the Year	1.41	2.22
Net Asset / (Liability) recognized in balance sheet as at the end of the year	1.02	1.98
iv). Composition of Plan Assets		
100% of Plan Assets are administered by LIC		
v). Gratuity Cost for the Year		
Current service cost	0.07	0.05
Interest cost	0.02	0.03
Expected return on plan assets	(0.15)	(0.15)
Actuarial Gain / (Loss)	-	-
Net Gratuity cost recognised in the statement of Profit and Loss	(0.06)	(0.07)
vi). Other Comprehensive Income		
Actuarial (gains) / losses		
- Change in demographic assumptions	-	0.00
- Change in financial assumptions	-	0.01
- Experience variance (i.e. Actual experiences assumptions)	0.06	(0.26)
Return on plan assets, excluding amount recognised in net interest expense	0.22	-
Components of defined benefit costs recognised in other comprehensive income	0.28	(0.24)
vii). Actuarial Assumptions		
Discount Rate (per annum)	6.70%	6.70%
Annual Increase in Salary Cost	8.00%	8.00%

viii). The Company has defined benefit plans for Gratuity to eligible employees, the contributions for which are made to Life Insurance Corporation of India who invests the funds as per Insurance Regulatory Development Authority guidelines.

Notes to financial statements for the year ended 31st March, 2021

40 As per Ind AS 19 "Employee Benefits", the disclosures are given below. (Contd.)

ix). Sensitivity Analysis

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

(₹ in Crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Defined Benefit Obligation (Base)	0.39	0.24

(₹ in Crores)

Particulars	As at 31st March 2021		As at 31st March, 2020	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	0.41	0.36	0.25	0.22
(% change compared to base due to sensitivity	6.50%	-5.90%	7.70%	-6.80%
Salary Growth Rate (- / + 1%)	0.36	0.41	0.22	0.25
(% change compared to base due to sensitivity)	-5.90%	6.30%	-6.80%	7.50%
Attrition Rate (- / + 50%)	0.39	0.38	0.24	0.23
(% change compared to base due to sensitivity)	0.90%	-0.70%	1.30%	-1.10%
Mortality Rate (- / + 10%)	0.38	0.38	0.23	0.23
(% change compared to base due to sensitivity)	0.00%	0.00%	0.00%	0.00%

x). Asset Liability Matching Strategies

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

xi). Effect of Plan on Entity's Future Cash Flows

a) Funding arrangements and Funding Policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees of the group. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

b) Expected Contribution during the next annual reporting period

The Company's best estimate of Contribution during the next year is Nil.

c) Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cash flows) - 6 years.

Expected cash flows over the next (valued on undiscounted basis):

(₹ in Crores)

1 year	0.02
2 to 5 years	0.09
6 to 10 years	0.37
More than 10 years	0.14

Notes to financial statements for the year ended 31st March, 2021

40 As per Ind AS 19 "Employee Benefits", the disclosures are given below. (Contd.)

xii). The Company has defined benefit plans for Gratuity to eligible employees of the group, the contributions for which are made to Life Insurance Corporation of India who invests the funds as per Insurance Regulatory Development Authority guidelines.

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

The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2020-21.

The actuarial liability for compensated absences (including Sick Leave) as at the year ended 31st March 2021 is ₹0.40 Crores (31st March 2020 is ₹0.25 Crores).

(b) Defined Contribution Plan

(i) Provident fund
Employer's contribution to Employees' State Insurance

The Company has recognised the following amounts as expense in the financial statements for the year:

(₹ in Crores)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Employer's Contribution to Provident Fund	0.17	0.16

41 The details of loans and advances in the nature of loans of the Company outstanding at the end of the year, in terms of regulation 53 (F) & 34(3) read together with para A of Schedule V of SEBI (Listing Obligation and Disclosure Regulation, 2015) and as per section 186(4) of the Companies Act, 2013.

(₹ in Crores)

Name of the Company (Subsidiaries)	Outstanding Amount*		Maximum amount outstanding during the year	
	As at 31st March, 2021	As at 31st March, 2020	FY 2020-21	FY 2019-20
Maharashtra Eastern Grid Power Transmission Company Limited	2,132.58	2,040.45	2,310.98	2,477.21
Adani Transmission (India) Limited	1,205.54	1,409.70	1,562.77	2,096.67
Sipat Transmission Limited	-	7.17	7.17	48.30
Raipur–Rajnandgaon–Warora Transmission Limited	0.43	20.27	20.27	97.59
Chhattisgarh–WR Transmission Limited	10.47	59.53	59.53	94.76
Adani Transmission (Rajasthan) Limited	14.08	14.08	14.08	25.58
North Karanpura Transco Limited	263.18	77.30	263.18	77.30
Maru Transmission Services Company Limited	8.09	23.91	23.91	29.91
Aravali Transmission Service Company Limited	36.61	36.61	36.61	42.62
Hadoti Power Transmission Service Limited	-	-	-	29.72
Barmer Power Transmission Service Limited	-	-	1.00	22.83
Thar Power Transmission Service Limited	-	-	1.10	23.76
Western Transco Power Limited	22.04	57.21	57.21	64.62
Western Transmission (Gujarat) Limited	9.10	15.12	15.12	19.28
Fatehgarh- Bhadla Transmission Limited.	253.89	161.02	253.89	161.02

Notes to financial statements for the year ended 31st March, 2021

(₹ in Crores)

Name of the Company (Subsidiaries)	Outstanding Amount*		Maximum amount outstanding during the year	
	As at 31st March, 2021	As at 31st March, 2020	FY 2020-21	FY 2019-20
Ghatampur Transmission Limited.	-	-	-	153.79
Adani Electricity Mumbai Limited.	-	-	-	717.48
Adani Transmission Bikaner Sikar Private Limited (Formerly known as 'KEC - Bikaner - Sikar Transmission Private Limited')	-	-	-	8.76
OBRA-C Badaun Transmission Limited.	191.24	66.05	191.24	73.55
WRSS XXI (A) Transco Limited	210.68	141.52	210.68	433.37
Bikaner Khetri Transmission Limited	-	112.02	143.42	354.21
Lakadia Banaskatha Transco Limited	118.59	38.70	118.59	363.27
Jam Khambaliya Transco Limited	24.77	60.83	67.82	510.17
Arasan Infra Private Limited	1.76	90.49	92.90	500.61
Sunrays infra Space Private Limited	4.10	502.95	518.95	502.95
AEML Infrastructure Limited	16.97	16.97	16.97	102.12
Adani Electricity Mumbai Infra Limited	11.12	1.00	11.12	1.00
Kharghar Vikhroli Transmission Private Limited	282.75	-	282.74	-
Alipurduar Transmission Limited	-	-	165.91	-
	4,817.99	4,952.90		

The details of Optionally Convertible Redeemable Preference Shares and Optionally Convertible Debentures are mentioned in Note 6

* Excluding amount of Interest Accrued.

42 Financial Instruments and Risk Overview

(a) Capital Management

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

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation, borrowings. The Company's policy is to use borrowings to meet anticipated funding requirements.

(₹ in Crores)

Particulars	Refer Note	31st March, 2021	31st March, 2020
Total Borrowings (Including Current Maturities)	20 & 23	7,863.94	7,855.83
Less: Cash and bank balances	12 & 13	18.06	1,176.01
Net Debt(A)		**7,845.88**	**6,679.82**
Equity Share Capital & Other Equity	17 & 19	1,256.91	1,531.02
Unsecured Perpetual Equity Instrument	18	2,829.70	3,279.42
Total Equity (B)		**4,086.61**	**4,810.44**
Total Equity and Net Debt (C=A+B)		**11,932.49**	**11,490.26**
Gearing Ratio : (A)/(C)		**0.66**	**0.58**

No changes were made in the objectives, policies or processes for managing capital during the year ended as at 31st March, 2021 and as at 31st March, 2020.

Notes to financial statements for the year ended 31st March, 2021

42 Financial Instruments and Risk Overview (Contd.)

(b) Financial Risk Management Objectives

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

In the ordinary course of business, the Company is mainly exposed to risks resulting from exchange rate fluctuation (currency risk), interest rate movements (interest rate risk) collectively referred as Market Risk, Credit Risk, Liquidity Risk and other price risks such as equity price risk. The Company's senior management oversees the management of these risks. It manages its exposure to these risks through derivative financial instruments by hedging transactions. It uses derivative instruments such as Principal only Swaps, and foreign currency forward contract to manage these risks. These derivative instruments reduce the impact of both favorable and unfavorable fluctuations. The Company's risk management activities are subject to the management, direction and control of Central Treasury Team of the Group under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board of Directors of the Company. The Group's central treasury team ensures appropriate financial risk governance framework for the Company through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

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

In the ordinary course of business, the Company is exposed to Market risk, Credit risk, and Liquidity risk.

Market risk

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

1) Interest rate risk

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

2) Foreign currency risk

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

Notes to financial statements for the year ended 31st March, 2021

42 Financial Instruments and Risk Overview (Contd.)

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

Nature	Purpose	As at 31st March, 2021		As at 31st March, 2020	
		Foreign Currency (USD in Million)	(₹ in Crores)	Foreign Currency (USD in Million)	(₹ in Crores)
i) Principal only swaps	Hedging of foreign currency bond principal liability	561.25	4,103.30	570.00	4,312.91
ii) Forward covers	Hedging of foreign currency bond principal & Interest liability	461.44	3,373.57	481.20	3,640.98

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

Nature	As at 31st March, 2021		As at 31st March, 2020	
	USD in Millions	₹ in Crores	USD in Millions	₹ in Crores
Creditors	0.65	4.75	3.13	23.66

Foreign Currency Risk Sensitivity

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

(₹ in Crores)

Particulars	For the Year 2020-21		For the Year 2019-20	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Risk Sensitivity				
Rupee / USD - (Increase) / Decrease	(0.05)	0.05	(0.24)	0.24

Derivative Financial Instrument

- The Company uses derivatives instruments as part of its management of risks relating to exposure to fluctuation in foreign currency exchange rates. The Company does not acquire derivative financial instruments for trading or speculative purposes neither does it enter into complex derivative transactions to manage the above risks. The derivative transactions are normally in the form of Principal Only Swaps and Forward Currency Contracts to hedge its foreign currency risks and are subject to the Company's guidelines and policies.
- The fair values of all derivatives are separately recorded in the balance sheet within current and non current assets and liabilities. Derivative that are designated as hedges are classified as current or non current depending on the maturity of the derivative.
- The use of derivative can give rise to credit and market risk. The Company tries to control credit risk as far as possible by only entering into contracts with stipulated / reputed banks and financial institutions. The use of derivative instrument is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivative is mitigated by changes in the valuation of underlying assets, liabilities or transactions, as derivatives are used only for risk management purpose.
- The Company enters into derivative financial instruments, such as principal only swaps and forward currency contracts for hedging the liabilities incurred/recorded and accounts for them as cash flow hedges and states them at fair value. The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss. Amounts recognised in OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. These hedges have been effective for the year ended 31st March, 2021.

Notes to financial statements for the year ended 31st March, 2021

42 Financial Instruments and Risk Overview (Contd.)

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

(₹ in Crores)

Derivative Financials Instruments	As at 31st March, 2021		As at 31st March, 2020	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedge				
- Forward	-	77.42	142.56	-
- Principal Only Swaps	99.41	52.57	289.21	-
Total	**99.41**	**129.99**	**431.77**	**-**

Credit risk

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

The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

Liquidity risk

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

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

(₹ in Crores)

As at 31st March, 2021	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings *#	927.72	2,002.18	6,935.15	9,865.05
Derivative Financial Liabilities	129.99	-	-	129.99
Trade Payables and Other Financial Liabilities **	99.14	-	-	99.14

(₹ in Crores)

As at 31st March, 2020	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings *#	841.99	2,018.41	7,557.21	10,417.61
Trade Payables and Other Financial Liabilities **	262.17	0.16	-	262.33

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

** Includes both Non-current and current financial liabilities. Excludes current maturities of non-current borrowings.

The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will be paid on those liabilities upto the maturity of the instruments, ignoring the call and refinancing options available with the Company.

Notes to financial statements for the year ended 31st March, 2021

43 Fair Value Measurement

The carrying value of financial instruments by categories as on 31st March, 2021:

(₹ in Crores)

Particulars	Fair Value through Other Comprehensive Income	Fair Value through Profit or Loss	Amortised Cost	Total Carrying Value in Books	Fair Value
Financial Assets					
Investments in Subsidiaries (Optionally Convertible Debentures and Optionally Convertible Redeemable Preference Shares)	-	400.13	-	400.13	400.13
Trade Receivables	-	-	0.08	0.08	0.08
Cash and Cash Equivalents	-	-	8.02	8.02	8.02
Other Balances with Bank	-	-	747.69	747.69	747.69
Loans	-	-	4,824.73	4,824.73	4,824.73
Derivatives instruments	(60.63)	160.04	-	99.41	99.41
Other Financial Assets	-	-	284.83	284.83	284.83
Total	(60.63)	560.17	5,865.35	6,364.89	6,364.89
Financial Liabilities					
Borrowings (Including Interst Accrued & Current Maturities)	-	-	7,949.14	7,949.14	8,267.69
Trade Payables	-	-	9.04	9.04	9.04
Derivatives instruments	21.55	108.44	-	129.99	129.99
Other Financial Liabilities	-	-	4.90	4.90	4.90
Total	21.55	108.44	7,963.08	8,093.07	8,411.62

The carrying value of financial instruments by categories as on 31st March, 2020:

(₹ in Crores)

Particulars	Fair Value through Other Comprehensive Income	Fair Value through Profit or Loss	Amortised Cost	Total Carrying Value in Books	Fair Value
Financial Assets					
Investments in Subsidiaries (Optionally Convertible Debentures and Optionally Convertible Redeemable Preference Shares)	-	218.98	-	218.98	218.98
Trade Receivables	-	-	96.68	96.68	96.68
Cash and Cash Equivalents	-	-	800.78	800.78	800.78
Other Balances with Bank	-	-	375.23	375.23	375.23
Loans	-	-	4,958.84	4,958.84	4,958.84
Derivatives instruments	(18.13)	449.90	-	431.77	431.77
Other Financial Assets	-	-	254.74	254.74	254.74
Total	(18.13)	668.88	6,486.27	7,137.02	7,137.02
Financial Liabilities					
Borrowings (Including Interst Accrued & Current Maturities)	-	-	7,969.93	7,969.93	7,321.84
Trade Payables	-	-	124.22	124.22	124.22
Other Financial Liabilities	-	-	24.01	24.01	24.01
Total	-	-	8,118.16	8,118.16	7,470.07

Notes to financial statements for the year ended 31st March, 2021

43 Fair Value Measurement (Contd.)

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

44 Fair Value hierarchy

(₹ in Crores)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Level 1	Level 2	Level 1	Level 2
Assets measured at fair value				
Investments in Subsidiaries	-	400.13	-	218.98
Assets measured at amortised cost				
Loans	-	4,824.73	-	4,958.84
Derivative Instruments designated in hedge accounting relationship				
Derivative Instruments	-	99.41	-	431.77
Total	-	5,324.27	-	5,609.59
Liabilities for which fair values are disclosed				
Borrowings (Including Interest Accrued & Current Maturities)	7,497.66	770.03	6,916.16	405.68
Derivative Instruments designated in hedge accounting relationship				
Derivative Instruments	-	129.99	-	-
Total	7,497.66	900.02	6,916.16	405.68

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

Notes to financial statements for the year ended 31st March, 2021

45 Related party disclosures :

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

Ultimate Holding Entity	S. B. Adani Family Trust (SBAFT)
Subsidiary Company	Adani Transmission (India) Limited
	Maharashtra Eastern Grid Power Transmission Company Limited
	Sipat Transmission Limited
	Raipur – Rajnandgaon – Warora Transmission Limited
	Chhattisgarh – WR Transmission Limited
	Adani Transmission (Rajasthan) Limited
	North Karanpura Transco Limited
	Maru Transmission Service Company Limited
	Aravali Transmission Service Company Limited
	Hadoti Power Transmission Service Limited.
	Barmer Power Transmission Service Limited.
	Thar Power Transmission Service Limited.
	Western Transco Power Limited.
	Western Transmission (Gujarat) Limited.
	Fatehgarh-Bhadla Transmission Limited.
	Ghatampur Transmission Limited
	Adani Electricity Mumbai Limited
	AEML Infrastructure Limited
	OBRA-C Badaun Transmission Limited
	Adani Transmission Bikaner Sikar Private Limited (Formerly known as 'KEC - Bikaner - Sikar Transmission Private Limited')
	Bikaner Khetri Transco Limited
	WRSS XXI(A) Transco Limited
	Arasan Infra Private Limited
	Sunrays Infra Space Private Limited
	Lakadia Banaskantha Transco Limited
	Jam Khambaliya Transco Limited
	Power Distribution Service Limited (Formerly known as 'Adani Electricity Mumbai Services Limited')
	Adani Electricity Mumbai Infra Limited
	Kharghar Vikhroli Transmission Private Limited (w.e.f. 25th June, 2020)
	Adani Transmission Step-One Limited (w.e.f. 23rd September, 2020)
	Alipurduar Transmission Limited (w.e.f. 26th November, 2020)
	AEML Seepz Limited (w.e.f. 8th December, 2020)
	Warora - Kurnool Transmission Limited (w.e.f. 31st March, 2021)
Key Managerial Personnel (KMP)	Mr. Gautam S. Adani, Chairman
	Mr. Rajesh S. Adani, Director
	Mr. Anil Sardana, Managing Director and Chief Executive Officer
	Mr. Kaushal Shah, Chief Financial Officer (Upto 2nd February, 2021)
	Mr. Jaladhi Shukla, Company Secretary

Notes to financial statements for the year ended 31st March, 2021

45 Related party disclosures :

Key Managerial Personnel (KMP)	Mr. K. Jairaj - Non Executive Director
	Dr. Ravindra H. Dholakia - Non Executive Director
	Ms. Meera Shankar - Non Executive Director
Entities under Common Control with whom there are transactions during the year	Adani Infra (India) Limited
	Adani Agri Fresh Limited
	Adani Power (Mundra) Limited
	Adani Enterprises Limited
	Adani Estate Private Limited
	Adani Infrastructure Management Service Limited
	Adani Institute of Infrastructure Management
	Adani Township & Real Estate Company Private Limited
	Adani Wilmar Limited
	Adani Foundation
	Belvedere Golf and Country Club Private Limited

Note:

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

(A) Transactions with Related Parties

(₹ in Crores)

Particulars	With Subsidiary Company		With Entities under Common Control		With Key Managerial Personnel	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Sale of Goods	-	0.02	-	75.67	-	-
Interest Income (Refer Note: 1)	604.11	684.51	10.98	1.23	-	-
Interest Expenses	1.77	-	6.03	12.24	-	-
Interest Income on Fair Value of CCPS.	0.80	0.71	-	-	-	-
Rent Paid	0.17	0.17	-	0.00	-	-
Staff Welfare Expense	-	-	-	0.04	-	-
Distribution on Perpetual Equity Instrument (Refer Note: 2)	-	-	231.67	383.29	-	-
Reimbursement of the Expenses	-	-	-	0.07	-	-
Recovery of Expenses	5.12	4.57	-	-	-	-
Loans Given (Refer Note: 3)	2,706.21	6,969.06	1,467.51	123.57	-	-
Loans Received Back (Refer Note: 3)	2,887.70	6,916.78	1,467.51	123.57	-	-
Conversion of Loan into Purchase/ Subscription of Investment	25.33	460.25	-	-	-	-
Unsecured Perpetual Equity Instrument issued (Refer Note: 4)	-	-	-	1,081.01	-	-
Unsecured Perpetual Equity Instrument repaid (Refer Note: 4)	-	-	680.00	1,209.62	-	-
Loans Taken	99.45	-	785.34	745.00	-	-
Loans Repaid	66.14	-	434.58	780.79	-	-

Notes to financial statements for the year ended 31st March, 2021

45 Related party disclosures :

(₹ in Crores)

Particulars	With Subsidiary Company		With Entities under Common Control		With Key Managerial Personnel	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Purchase/Subscription of Investment (including Preference Share)	78.06	151.38	-	-	-	-
Investment Decrease in Optionally Convertible Redeemable Debentures	-	608.06	-	-	-	-
Conversion of Investment in Perpetual Equity Instrument into Purchase/Subscription of Investment	-	280.95	-	-	-	-
Investment in Optionally Convertible Debentures	145.55	258.70	-	-	-	-
Investment in Compulsory Convertible Debentures	24.71	-	-	-	-	-
Conversion of Loans into investment in Optionally Convertible Debentures	50.67	-	-	-	-	-
Conversion of Loans into investment in Compulsory Convertible Debentures	25.33	-	-	-	-	-
Directors Sitting Fees	-	-	-	-	0.18	0.22
Corporate Social Responsibility Expenses	-	-	0.23	0.23	-	-
Investment Decrease in Optionally Convertible Redeemable Preference Shares	544.65	-	-	-	-	-
Bank Guarantee Given (Refer Note: 5)	361.79	352.00	-	-	-	-

- The Company has pledged Shares of its Subsidiary Companies against the borrowing. (Refer note 6)
- All above transactions are in normal course of business and are made on terms equivalent to those that prevail arm's length transactions.

Notes:

1. Interest on Loan given to Subsidiary Companies and Entity under Common Control.
2. Accrued on Perpetual Equity infused by Entity under common control.
3. Financial support to Subsidiary Companies primarily for Green field Growth.
4. Long term equity support by way of Perpetual instruments from entities under common control.
5. Bank guarantee given by company on behalf of Subsidiary Companies which were taken over to carry out the business awarded under tariff based competitive bidding towards performance of work awarded.

Notes to financial statements for the year ended 31st March, 2021

45 Related party disclosures :

(B) Balances with Related Parties

(₹ in Crores)

Particulars	With Subsidiary Company		With Entities under Common Control		With Key Managerial Personnel	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Loans Receivable	4,817.99	4,952.90	-	-	-	-
Loans Payable	33.30	-	350.77	-	-	-
Interest Receivable	252.67	234.07	-	-	-	-
Interest Payable	1.63	-	5.04	-	-	-
Account Payable	-	23.10	-	0.07	-	-
Accounts Receivable	8.17	3.30	-	0.05	-	-
Compulsorily Convertible Debentures	81.61	31.57	-	-	-	-
Bank Guarantee	361.79	352.00	-	-	-	-
Unsecured Perpetual Equity Instrument	-	-	2,829.70	3,279.42	-	-

46 Other Disclosures

(i) Due to outbreak of COVID-19 globally and in India, management has made initial assessment of impact on business and financial risks on account of COVID-19. Considering that the Company's investments are in subsidiary companies, which are engaged in the business of Generation, Transmission and Distribution of Power, which is considered to be an Essential Service, the management believes that the impact of this outbreak on the business and financial position of the Company will not be significant. The management does not see any risk in the Company & Subsidiary Companies of the Company to continue as a going concern and meeting its liabilities as and when they fall due.

(ii) The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 6th May, 2021, there are no subsequent events to be recognized or reported that are not already disclosed.

(ii) The Financial Statements for the year ended 31st March, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 6th May, 2021.

As per our attached report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number : 117366W/W-100018

MOHAMMED BENGALI
Partner
Membership No. 105828

Place : Mumbai
Date : 6th May, 2021

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

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

JALADHI SHUKLA
Company Secretary
Place : Ahmedabad
Date : 6th May, 2021

Independent Auditor's Report

To The Members of Adani Transmission Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Adani Transmission Limited** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the financial information of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter Description	Auditor's Response
1	**Hedge accounting and the related disclosures for currency derivatives:** (Refer to Note 48 to the Consolidated Financial Statements) We identified the hedge accounting for currency derivatives and the adequacy of the related disclosures as a key audit matter because the evaluation of hedge effectiveness involved management's judgement and estimation and the changes in fair values of these currency derivatives has significant impact on the consolidated financial statements.	**Principal audit procedures performed:** ▪ Obtaining an understanding of and testing the design and implementation and operative effectiveness of the management's controls over the valuation of currency derivatives and hedge accounting of the Company and a subsidiary the Company audited by us. ▪ Inspecting hedge documentations and contracts and evaluating the management's determination of mark to market valuations and assessment of hedge effectiveness, on a sample basis with the assistance of our internal specialists, to evaluate the accounting for these currency derivatives in accordance with the requirements of relevant Indian accounting standards.

Sr. No.	Key Audit Matter Description	Auditor's Response
	As disclosed in note 48 to the consolidated financial statements, the Group was exposed to currency risk primarily arising from foreign currency denominated borrowings. As further disclosed in note 48 to the consolidated financial statements, the Company utilised currency derivatives to hedge these the foreign exchange risk arising from these borrowings during the year ended 31 March, 2021. These currency derivatives which were designated and effective as net Cash flow hedges, gave rise to assets of ₹ 242.61 crores and liabilities of ₹ 309.16 crores as at 31 March, 2021 and the fair value changes of these currency derivatives have been presented in equity at 31 March, 2021.	▪ Obtaining confirmations directly from contract counterparties of the Company and a subsidiary of the Company audited by us to verify the existence of each currency derivative held at 31 March, 2021. ▪ Reperforming mark-to-market valuations on a sample basis with the involvement of our internal fair valuation specialists, to evaluate the reasonability of fair values of the currency derivatives and the hedge effectiveness thereof has been appropriately determined by the management; and ▪ Assessed the adequacy of the disclosures in respect of the currency derivatives and hedge accounting in accordance with the disclosure requirements of Ind AS 107-Financial Instruments: Disclosures, Ind AS 113- Fair Value Measurement.
2	**Impairment of Transmission License having indefinite life:** (Refer to Note 56 to the Consolidated Financial Statements) We identified the impairment testing of Transmission License having indefinite life as a key audit matter considering the significance of the carrying value, long term estimation and the significant judgements involved in the impairment assessment. As per the requirements of Ind AS 36, the Group tests for impairment annually, Intangible assets being Transmission License with indefinite life acquired in Business Combination with a carrying value of ₹ 981.62 crores as at 31 March, 2021. The determination of recoverable amount, being the higher of value-in-use and fair value less costs to dispose, involves significant estimates, assumption and judgements of the long term financial projections on part of the management.	**Principal audit procedures performed:** ▪ We tested the design, implementation and operating effectiveness of controls over impairment assessment process which inter alia included the management's evaluation of the reasonableness of estimates including those over the forecasts of future revenues, future capital expenditure and selection of discount rates. ▪ We obtained management's impairment assessment performed the following substantive procedures: tested the reasonableness of key estimates including revenue, future capital expenditure, terminal values and the selection of discount rates. ▪ With the assistance of our internal fair value specialists we to evaluated the appropriateness of the valuation methodology and the reasonability of the discount rate.
3	**Acquisition of Transmission Special Purpose Vehicle ("SPV") classified as asset acquisition:** (Refer to Note 60 to the Consolidated Financial Statements) During the year, the Group has acquired operational transmission asset by acquiring Alipurduar Transmission Limited (ATL) from an unrelated party. The key activity of ATL is maintenance of transmission assets. The acquisition does not include employees of any other significant process to earn tariff revenues.	**Principal audit procedures performed:** ▪ Assessed the activities of the transmission SPV to determine if the acquisition involved input, substantive processes and output ▪ Evaluated the relevant facts and circumstances considered by the management in applying their judgment that the acquisition is an asset acquisition.

Sr. No.	Key Audit Matter Description	Auditor's Response
	Based on evaluation of the relevant facts and circumstances related to the acquisition vis-à-vis the guidance under the relevant Ind-AS the management classified the acquisition of transmission SPV as an asset acquisition. Considering the management judgement involved in determining whether the acquisition is a business acquisition or an asset acquisition it is considered as a key audit matter.	▪ We read and assessed the adequacy of disclosures in the consolidated Ind AS financial statements for compliance with the relevant accounting standards requirements.
4	**Accrual of Regulatory Deferrals:** (Refer to Note 55 to the Consolidated Financial Statements) In the respect of Mumbai Distribution business, of the Group, the tariff is determined by Maharashtra Electricity Regulatory Commission (MERC) on cost plus return on equity basis wherein the cost is subject to certain laid down benchmarks/ norms. The Group invoices its customers on the basis of pre-approved tariff which is based on provisional tariff orders and is subject to final true up exercise to be adjusted in the future tariff. The Group recognizes revenue on the basis of tariff invoiced to consumers. As the Group is entitled to a fixed return on equity, the Group recognizes regulatory deferral for the shortage / excess compared to the entitled return on equity. Regulatory deferrals are determined based on tariff regulations, tariff orders, judicial pronouncements etc. and are subject to verification and approval by the regulators. Further the costs incurred are subject to laid down norms/ benchmarks. Significant judgements and estimates are made in determining the regulatory deferrals including interpretation of tariff regulations. The Group has recognized net regulatory deferrals –Assets of ₹ 167.89 crores (net) as at 31 March, 2021(including ₹ 582.81 crores for the year). We identified the accrual of regulatory deferrals as a key audit matter considering the significance of the amount of regulatory deferrals and the significant judgements and estimates involved in the determination of accruals.	**Principal audit procedures performed:** ▪ Obtained an understanding of and tested the design, implementation and operating effectiveness of the management's controls over accrual of regulatory deferrals. ▪ Evaluated the reasonability of key estimates used by the Group in accrual of regulatory deferrals by comparing it with tariff regulations, prior years orders and past precedents.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the branches, entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for

the direction, supervision and performance of the audit of the financial statements of such branches or entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of 29 subsidiaries, whose financial statements reflect total assets of ₹ 12,743.19 Crores as at 31 March, 2021, total revenues of ₹ 963.42 Crores and net cash (outflows) amounting to ₹ 229.03 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent Company as on 31 March, 2021 taken on record by the Board of Directors of the Company and subsidiary companies, none of the directors of the Group companies is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group ;

(ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent Company, and its subsidiary companies incorporated in India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Mohammed Bengali
(Partner)
(Membership No. 105828)
(UDIN: 21105828AAAABC4937)

Place: Mumbai
Date: 6 May, 2021

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Adani Transmission Limited (hereinafter referred to as "the Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 29 subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Mohammed Bengali
(Partner)
(Membership No. 105828)
(UDIN: 21105828AAAABC4937)

Place: Mumbai
Date: 6 May, 2021

Consolidated Balance Sheet as at 31st March, 2021

(₹ in Crores)

Particulars	Notes	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
Non-current Assets			
Property, Plant and Equipment	5.1	25,166.26	23,099.70
Capital Work-In-Progress	5.2	5,239.73	2,208.96
Right of Use Assets	5.3	218.15	237.54
Goodwill		592.88	592.09
Other Intangible Assets	5.1	1,009.31	994.87
Intangible Assets Under Development		15.41	3.28
Financial Assets			
(i) Investments	6	267.24	-
(ii) Loans	7	1,073.82	38.91
(iii) Other Financial Assets	8	2,910.63	2,302.41
Income Tax Assets (Net)	9	63.07	37.31
Other Non-current Assets	10	1,677.64	1,510.69
Total Non-current Assets		**38,234.14**	**31,025.76**
Current Assets			
Inventories	11	233.71	541.17
Financial Assets			
(i) Investments	12	174.79	312.67
(ii) Trade Receivables	13	1,013.54	1,000.26
(iii) Cash and Cash Equivalents	14	263.68	1,232.99
(iv) Bank Balances other than (iii) above	15	1,026.23	1,063.85
(v) Loans	16	24.43	2,409.28
(vi) Other Financial Assets	17	1,394.59	1,543.31
Other Current Assets	18	429.02	334.17
Total Current Assets		**4,559.99**	**8,437.70**
Total Assets before Regulatory Deferral Account		**42,794.13**	**39,463.46**
Regulatory Deferral Account - Asset	55	439.45	247.73
Total Assets		**43,233.58**	**39,711.19**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	19	1,099.81	1,099.81
Unsecured Perpetual Equity Instrument	20	2,829.70	3,279.42
Other Equity	21	4,989.77	4,119.73
Total Equity attributable to Equity Owners of the Company		**8,919.28**	**8,498.96**
Non-Controlling Interests		1,103.58	1,062.13
Total Equity		**10,022.86**	**9,561.09**
Liabilities			
Non-current Liabilities			
Financial Liabilities			
(i) Borrowings	22	23,808.81	22,289.65
(ii) Trade Payables	23		
(A) total outstanding dues of micro enterprises and small enterprises;		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		31.93	29.35
(iii) Other Financial Liabilities	24	627.59	419.86
Other Non-Current Liabilities	25	282.89	278.02
Provisions	26	584.52	275.58
Deferred Tax Liabilities (Net)	27	1,186.35	971.37
Total Non-current Liabilities		**26,522.09**	**24,263.83**
Current Liabilities			
Financial Liabilities			
(i) Borrowings	28	1,966.47	1,235.81
(ii) Trade Payables	29		
(A) total outstanding dues of micro enterprises and small enterprises;		29.69	49.93
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		1,211.32	1,701.58
(iii) Other Financial Liabilities	30	2,849.97	1,982.51
Other Current Liabilities	31	291.29	309.42
Provisions	26	61.85	62.40
Current Tax Liabilities (Net)	32	6.48	40.29
Total Current Liabilities		**6,417.07**	**5,381.94**
Total Liabilities before Regulatory Deferral Account		**32,939.16**	**29,645.77**
Regulatory Deferral Account-Liabilities	55	271.56	504.33
Total Equity and Liabilities		**43,233.58**	**39,711.19**

See accompanying notes forming part of the consolidated financial statements

As per our attached report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number : 117366W/W-100018

MOHAMMED BENGALI
Partner
Membership No. 105828

Place : Mumbai
Date : 6th May, 2021

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

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

JALADHI SHUKLA
Company Secretary
Place : Ahmedabad
Date : 6th May, 2021

Consolidated Statement of Profit and Loss for the year ended 31st March, 2021

(₹ in Crores)

Particulars	Notes	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Income			
Revenue from Operations			
(i) From Generation, Transmission and Distribution Business	33	9,169.70	10,491.35
(ii) From Trading Business	34	756.63	924.61
Other Income	35	532.60	265.33
Total Income		**10,458.93**	**11,681.29**
Expenses			
Cost of Power Purchased		1,914.51	2,679.13
Cost of Fuel		972.56	1,018.23
Purchases of Stock-in-Trade	36	755.89	924.21
Employee Benefits Expense	37	930.76	973.24
Finance Costs	38	2,116.99	2,238.49
Depreciation and Amortisation Expense	5.4	1,328.88	1,174.02
Other Expenses	39	1,402.25	1,334.52
Total Expenses		**9,421.84**	**10,341.84**
Profit Before Rate Regulated Activities, Tax and Deferred Assets recoverable/adjustable for the year		**1,037.09**	**1,339.45**
Net movement in Regulatory Deferral Account Balances - Income/ (Expenses)		582.81	(232.77)
Profit Before Tax and Deferred Assets recoverable/adjustable for the year		**1,619.90**	**1,106.68**
Tax Expense:	40		
Current Tax		187.01	213.80
Deferred Tax		237.22	329.08
Total Tax expenses		**424.23**	**542.88**
Profit After Tax for the year but before Deferred Assets recoverable/ adjustable		**1,195.67**	**563.80**
Deferred assets recoverable/adjustable		93.90	142.69
Profit After Tax for the year		**1,289.57**	**706.49**
Other Comprehensive Income/(Loss)			
(a) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans / (Loss)		34.24	(21.10)
- Tax relating to items that will not be reclassified to Profit or Loss		(6.03)	3.61
(b) Items that will be reclassified to profit or loss			
- Effective portion of gains and losses on designated portion of hedging instruments in a cash flow hedge		(192.32)	135.06
- Tax relating to items that will be reclassified to Profit or Loss		17.71	2.76
Total Other Comprehensive Income / (Loss) for the year (Net of Tax)		**(146.40)**	**120.33**
Total Comprehensive Income for the year		**1,143.17**	**826.82**
Profit/ (Loss) for the year attributable to:			
Owners of the Company		1,224.04	741.82
Non-controlling interests		65.53	(35.33)
		1,289.57	**706.49**
Other Comprehensive Income / (Loss) for the year attributable to:			
Owners of the Company		(128.03)	127.93
Non-controlling interests		(18.37)	(7.60)
		(146.40)	**120.33**
Total Comprehensive Income/ (Loss) for the year attributable to:			
Owners of the Company		1,096.01	869.75
Non-controlling interests		47.16	(42.93)
		1,143.17	**826.82**
Earnings Per Equity Share (EPS) (in ₹)	41		
(Face Value ₹ 10 Per Share)			
Basic / Diluted Earnings per Equity Share (Face Value of ₹10 each) after Net movement in Regulatory Deferral Account Balances (₹)		9.02	2.94
Basic / Diluted Earnings per Equity Share (Face Value of ₹10 each) before Net movement in Regulatory Deferral Account Balances (₹)		5.75	4.69

See accompanying notes forming part of the consolidated financial statements

As per our attached report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number : 117366W/W-100018

MOHAMMED BENGALI
Partner
Membership No. 105828

Place : Mumbai
Date : 6th May, 2021

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

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

JALADHI SHUKLA
Company Secretary
Place : Ahmedabad
Date : 6th May, 2021

Consolidated Statement of Cash Flows for the year ended 31st March, 2021

(₹ in Crores)

	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
A.	**Cash flows from operating activities**		
	Profit before tax	1,619.90	1,106.68
	Adjustments for:		
	Depreciation and Amortisation Expenses	1,328.88	1,174.02
	Amortisation of Consumer Contribution	(9.22)	(8.49)
	Gain on Sale/Fair Value of Current Investments measured at FVTPL	(46.00)	(61.53)
	Finance Costs	1,802.48	2,338.91
	Interest Income	(466.95)	(187.21)
	Provision for Stamp Duty Expense	-	22.60
	Unclaimed liabilities / Excess provision written back	(2.11)	(0.26)
	Write downs in Inventory value	-	4.53
	Bad Debt Written Off	27.14	0.56
	Expected Credit Loss- Doubtful Debts,Advances,Depoists	-	43.62
	Loss on sale of Property, Plant and Equipment	-	4.58
	Foreign Exchange Fluctuation Loss	-	12.53
	Unrealised Foreign Exchange (Gain)/Loss - Borrowings net of Hedging	314.51	(100.42)
	Operating profit before working capital changes	4,568.63	4,350.12
	Changes in Working Capital:		
	(Increase) / Decrease in Operating Assets :		
	Employee Loans, Other Financial Assets and Other Assets	(298.27)	312.41
	Inventories	312.86	(179.52)
	Trade Receivables	(39.16)	(321.00)
	Regulatory Deferral Account - Assets	(191.72)	857.87
	Increase / (Decrease) in Operating Liabilities :		
	Trade Payables	(402.30)	406.22
	Regulatory Deferral Account - Liabilities	(232.77)	232.77
	Other Financial Liabilities, Other Liabilities and Provisions	319.59	(35.85)
	Cash generated from operations	4,036.86	5,623.02
	Taxes Paid (Net)	(252.53)	(185.82)
	Net cash generated from operating activities (A)	3,784.33	5,437.20
B.	**Cash flows from investing activities**		
	Purchase of Property, Plant and Equipment (including Capital Work-in-progress, other intangible assets, capital advances and capital creditors)	(3,952.32)	(2,762.67)
	Acquisition of Subsidiaries	(563.24)	(50.22)
	Advance for Business Acquisition	-	(17.21)
	Proceeds/Purchase of Non Current Investments (Contingency Reserve)	(267.24)	120.92
	Proceeds/(Purchase) of current investment (net)	171.45	(83.85)
	(Deposits in) Bank deposits (net) (Including Margin money deposit)	(1,260.09)	(593.84)
	Loans received back/ (given) - Net	1,344.85	(2,400.53)
	Interest Received	501.30	144.52
	Net cash used in investing activities (B)	(4,025.29)	(5,642.88)

Consolidated Statement of Cash Flows for the year ended 31st March, 2021

(₹ in Crores)

	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
C.	**Cash flows from financing activities**		
	Payment of lease liabilities(including Interest ₹12.07 crores (₹11.97 crores))	(35.19)	(35.66)
	Increase in Service Line Contribution	14.09	20.14
	Proceeds from Long-term borrowings	2,536.62	19,025.09
	Repayment of Long-term borrowings	(1,333.09)	(15,686.01)
	Proceeds from Short-term borrowings	2,805.32	4,651.91
	Repayment of Short-term borrowings	(2,074.39)	(5,084.22)
	Distribution on Unsecured Perpetual Equity Instrument	(1.39)	(2.28)
	Proceeds from issue of Unsecured Perpetual Equity Instrument	-	700.00
	Proceeds on Sale of Equity Shares in Subsidiary Company	-	1,209.62
	Repayment of Unsecured Perpetual Equity Instrument	(680.00)	(1,209.62)
	Finance Cost paid	(1,976.62)	(2,338.57)
	Net cash generated from financing activities (C)	(744.65)	1,250.40
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	(985.61)	1,044.72
	Cash and cash equivalents at the beginning of the year	1,232.99	188.25
	Cash and cash equivalents received on account of acquisition of subsidiaries	16.30	0.02
	Cash and cash equivalents at the end of the year	263.68	1,232.99

(₹ in Crores)

Cash and Cash Equivalents includes (Refer note 14)	As at 31st March, 2021	As at 31st March, 2020
Balances with banks		
In current accounts	175.71	920.33
Fixed Deposits (with original maturity for three months or less)	60.60	306.05
Cheque / Draft on Hand	24.97	6.19
Cash on Hand	2.40	0.42
Total Cash and Cash Equivalents	263.68	1,232.99

Notes to Statement of Consolidated Cash Flows:

1 The Statement of Consolidated Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 "Statement of Cash Flows"

2 Disclosure under Para 44A as set out in Ind AS 7 on Statement of Cash Flows under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is given below:

(₹ in Crores)

Particulars	1st April, 2020	Cash Flows (Net)	Unrealised Foreign Exchange Gain/(Loss)	Other	31st March, 2021
Long-term Borrowings (Including Current Maturities of Long Term Debt)#	23,009.92	1,203.53	(709.46)	1,490.52	24,994.51
Short term Borrowings	1,235.81	730.93	-	(0.27)	1,966.47
Unsecured perpetual Equity Instrument including Distribution (Net of Tax)*	3,279.42	(681.39)	-	231.68	2,829.71
TOTAL	27,525.15	1,253.07	(709.46)	1,721.94	29,790.69

Consolidated Statement of Cash Flows for the year ended 31st March, 2021

Changes in liabilities arising from financing activities

(₹ in Crores)

Particulars	1st April, 2019	Cash Flows (Net)	Unrealised Foreign Exchange Gain/(Loss)	Other	31st March, 2020
Long-term Borrowings (Including Current Maturities of Long Term Debt)#	18,504.21	3,339.08	1,188.36	(21.73)	23,009.92
Short term Borrowings	1,632.78	(432.31)	-	35.34	1,235.81
Unsecured perpetual Equity Instrument including Distribution (Net of Tax)*	3,408.03	(511.90)	-	383.29	3,279.42
TOTAL	23,545.02	2,394.87	1,188.36	396.90	27,525.15

* Other Includes Distribution on perpetual Equity Instrument

Other Includes Balances taken over on acquisition of Subsidiaries (Refer Note 60)

See accompanying notes forming part of the consolidated financial statements

As per our attached report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number : 117366W/W-100018

MOHAMMED BENGALI
Partner
Membership No. 105828

Place : Mumbai
Date : 6th May, 2021

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

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

JALADHI SHUKLA
Company Secretary
Place : Ahmedabad
Date : 6th May, 2021

Consolidated Statement of changes in equity for the year ended 31st March, 2021

A. Equity Share Capital

Particulars	No. of Shares	(₹ in Crores)
Balance as at 1st April, 2019	1,099,810,083	1,099.81
Issue of shares during the year	-	-
Balance as at 31st March, 2020	1,099,810,083	1,099.81
Issue of shares during the year	-	-
Balance as at 31st March, 2021	1,099,810,083	1,099.81

B. Unsecured Perpetual Equity Instrument

Particulars	(₹ in Crores)
Balance as at 1st April, 2019	3,408.03
i) Add: Availed during the year	700.00
ii) Add: Distribution on Unsecured Perpetual Equity Instrument (Net of Tax)	381.01
iii) Less: Repaid during the year	(1,209.62)
Balance as at 31st March, 2020	3,279.42
i) Add: Availed during the year	-
ii) Add: Distribution on Unsecured Perpetual Equity Instrument (Net of Tax)	230.28
iii) Less: Repaid during the year	(680.00)
Balance as at 31st March, 2021	2,829.70

C. Other Equity

(₹ in Crores)

Particulars	Attributable to owners of the Company									Non - controlling interest	Total Equity
	Reserves and Surplus							Item of other comprehensive income	Total Attributable to owners of the Company		
	Capital Reserve	General Reserve	Retained Earnings	Capital Redemption Reserve	Debenture Redemption Reserve	Self Insurance Reserve	Contingency Reserve	Effective portion of cashflow Hedge			
Balance as at 1st April, 2019	**208.87**	**1,220.60**	**172.20**	**1,891.88**	**12.87**	**-**	**203.17**	**(174.55)**	**3,535.04**	**-**	**3,535.04**
Profit for the year	-	-	741.82	-	-	-	-	-	741.82	(35.33)	706.49
Add/(Less): Other comprehensive income for the year (Net of Tax)	-	-	(13.21)	-	-	-	-	141.14	127.93	(7.60)	120.33
(Less): Distribution on Unsecured perpetual Equity Instrument	-	-	(383.29)	-	-	-	-	-	(383.29)	-	(383.29)
Non- Controlling interest on sale of Equity Shares of Subsidiary Companies	-	-	-	-	-	-	-	-	-	1,105.91	1,105.91
Add: Gain on sale of Equity Shares of Subsidiary Companies to non controlling interest (Refer Note 58)	-	-	97.38	-	-	-	-	-	97.38	-	97.38
Add/ (Less): Transfer from Retained Earning to Contingency Reserve	-	-	(36.52)	-	-	-	37.37	-	0.85	(0.85)	-

Consolidated Statement of changes in equity for the year ended 31st March, 2021

(₹ in Crores)

Particulars	Attributable to owners of the Company									Non - controlling interest	Total Equity
	Reserves and Surplus							Item of other comprehensive income	Total Attributable to owners of the Company		
	Capital Reserve	General Reserve	Retained Earnings	Capital Redemption Reserve	Debenture Redemption Reserve	Self Insurance Reserve	Contingency Reserve	Effective portion of cashflow Hedge			
Add / (Less): Transfer from Retained Earning to Debenture Redemption Reserve	-	-	(0.57)	-	0.57	-	-	-	-	-	-
Balance as at 31st March, 2020	**208.87**	**1,220.60**	**577.81**	**1,891.88**	**13.44**	**-**	**240.54**	**(33.41)**	**4,119.73**	**1,062.13**	**5,181.86**
Profit/(Loss) for the year	-	-	1,224.04	-	-	-	-	-	1,224.04	65.53	1,289.57
Add/(Less): Other comprehensive income for the year (Net of Tax)	-	-	21.31	-	-	-	-	(149.34)	(128.03)	(18.37)	(146.40)
(Less): Distribution on Unsecured perpetual Equity Instrument	-	-	(231.68)	-	-	-	-	-	(231.68)	-	(231.68)
Add: Transfer from Retained Earning on redemption of Optionally Convertible Redeemable Preference Shares	-	-	(544.65)	544.65	-	-	-	-	-	-	-
Add/ (Less): Transfer from Retained Earning to Contingency Reserve	-	-	(38.66)	-		-	44.37	-	5.71	(5.71)	-
Less: Appropriation to Self Insurance Reserve	-	(12.65)	-	-	-	12.65	-	-	-	-	-
Add / (Less): Transfer from Retained Earning to Debenture Redemption Reserve	-	-	1.16	-	(1.16)	-	-	-	-	-	-
Balance as at 31st March, 2021	**208.87**	**1,207.95**	**1,009.33**	**2,436.53**	**12.28**	**12.65**	**284.91**	**(182.75)**	**4,989.77**	**1,103.58**	**6,093.35**

See accompanying notes forming part of the consolidated financial statements

As per our attached report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number : 117366W/W-100018

MOHAMMED BENGALI
Partner
Membership No. 105828

Place : Mumbai
Date : 6th May, 2021

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

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

JALADHI SHUKLA
Company Secretary
Place : Ahmedabad
Date : 6th May, 2021

Notes to Consolidated financial statements for the year ended 31st March, 2021

1 Corporate information

Adani Transmission Limited ("The Company") is a public limited company incorporated and domiciled in India, It's ultimate holding entity is S. B. Adani Family Trust (SBAFT), having its registered office at 'Adani Corporate House', Shantigram, Near Vaishno Devi Circle, S.G.Highway, Khodiyar, Ahmedabad - 382421, Gujarat, India. The Company and its Thirty Three subsidiaries (together referred to as ""the Group"") is incorporated to carry on the business of establishing, commissioning, setting up, operating and maintaining electric power transmission systems and to peruse acquisition of available opportunity in power transmission systems/networks. The Group develops, owns and operates transmission lines across the States of Gujarat, Rajasthan, Bihar, Jharkhand, Uttar Pradesh, Maharashtra, Haryana, Chhattisgarh, Madhya Pradesh and West Bengal. The Group has entered in Generation and Distribution business in Mumbai through acquisition of Integrated Mumbai Power i.e. Business of Generation, Transmission and Distribution (GTD). The Group has entered in to new business opportunities through OPGW fibres on transmission lines with the ambition of expanding its telecom solutions to Telcos, Internet service providers and long distance communication operators .The commercialization of the network shall be done through leasing out spare capacities to potential communication players.

2 Significant accounting policies

2.1 Statement of Compliance

The Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards (IndAS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 ("the Act") (as amended from time to time).

2.2 Basis of preparation and presentation

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The Function currency of the group is Indian Rupee(₹). The Consolidated financial statements are presented in ₹ and all values are rounded to the nearest Crores (Transactions below ₹50,000.00 denoted as ₹0.00), unless otherwise indicated.

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and subsidiaries as at 31st March, 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- has power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders:
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar

Notes to Consolidated financial statements for the year ended 31st March, 2021

circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries."

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Statement of Profit and Loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The list of Companies included in consolidation, relationship with Adani Transmission Limited and it's shareholding therein is as under: The reporting date for all the entities is 31st March, 2021

Sr. No.	Name of Company	Country of Incorporation	Relationship	Shareholding as on 31st March 2021	Shareholding as on 31st March 2020
1	Adani Transmission (India) Limited (ATIL)	India	Subsidiary	100%	100%
2	Maharashtra Eastern Grid Power Transmission Co. Limited (MEGPTCL)	India	Subsidiary	100%	100%
3	Sipat Transmission Limited (STL)	India	Subsidiary	100%	100%
4	Raipur-Rajnandgaon-Warora Transmission Limited (RRWTL)	India	Subsidiary	100%	100%
5	Chhattisgarh-WR Transmission Limited (CWRTL)	India	Subsidiary	100%	100%
6	Adani Transmission (Rajasthan) Limited (ATRL)	India	Subsidiary	100%[1]	100%[1]
7	North Karanpura Transco Limited (NKTL)	India	Subsidiary	100%	100%
8	Maru Transmission Service Company Limited (MTSCL)	India	Subsidiary	100%	100%

Notes to Consolidated financial statements for the year ended 31st March, 2021

Sr. No.	Name of Company	Country of Incorporation	Relationship	Shareholding as on 31st March 2021	Shareholding as on 31st March 2020
9	Aravali Transmission Service Company Limited (ATSCL)	India	Subsidiary	100%	100%
10	Hadoti Power Transmission Service Limited (HPTSL)	India	Subsidiary	100%	100%
11	Barmer Power Transmission Service Limited (BPTSL)	India	Subsidiary	100%	100%
12	Thar Power Transmission Service Limited (TPTSL)	India	Subsidiary	100%	100%
13	Western Transco Power Limited (WTPL)	India	Subsidiary	100%	100%
14	Western Transmission (Gujarat) Limited (WTGL)	India	Subsidiary	100%	100%
15	Fatehgarh-Bhadla Transmission Limited (FBTL)	India	Subsidiary	100%	100%
16	Ghatampur Transmission Limited (GTL)	India	Subsidiary	100%	100%
17	Adani Electricity Mumbai Limited (AEML)	India	Subsidiary	74.90%	74.90%
18	AEML Infrastructure Limited (AEML Infra)	India	Subsidiary	100%	100%
19	OBRA-C Badaun Transmission Limited (OBTL)	India	Subsidiary	100%	100%
20	Adani Transmission Bikaner Sikar Private Limited (Formerly Known as KEC Bikaner Sikar Transmission Private Limited) (ATBSPL)	India	Subsidiary	100%[2]	100%[2]
21	WRSS XXI (A) Transco Limited (WRSS XXI (A))	India	Subsidiary	100%	100%
22	Bikaner Khetri Transco Limited (BKTL)	India	Subsidiary	100%	100%
23	Lakadia banaskantha Transco Limited (LBTL)	India	Subsidiary	100%	100%
24	Jamkhambhaliya Transco Limited (JKTL)	India	Subsidiary	100%	100%
25	Arasan Infra Private Limited (AIPL)	India	Subsidiary	100%	100%
26	Sunrays Infra Space Private Limited (SISPL)	India	Subsidiary	100%	100%
27	Power Distribution Services Limited (Formerly known as 'Adani Electricity Mumbai Services Limited')	India	Subsidiary	74.90%	74.90%
28	Adani Electricity Mumbai Infra Limited (100% subsidiary of AEML) (AEMIL)	India	Subsidiary	74.90%	74.90%
29	Kharghar Vikhroli Transmission Private Limited (KVTPL)	India	Subsidiary	100%	N.A.
30	Alipurduar Transmission Limited (ALTL)	India	Subsidiary	100%[3]	N.A.
31	AEML Seepz Limited (100% subsidiary of AEML)(ASL)	India	Subsidiary	100%	N.A.
32	Adani Trans Step One Limited (ATSOL)	India	Subsidiary	100%	N.A.
33	Warora Kurnool Transmission Limited (WKTL)	India	Subsidiary	100%	N.A.

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

Notes to Consolidated financial statements for the year ended 31st March, 2021

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

3. During the FY 2020-21, Adani Transmission Limited acquired 49% of paid-up equity capital of Alipurduar Transmission Limited (ALTL) with effect from 26th November, 2020 from Kalpataru Power Transmission Limited ("the Selling Shareholder") pursuant to Share Purchase Agreement ("SPA") date 5th July, 2020. Adani Transmission Limited has finalised purchase consideration for acquisition of entire stake in ALTL and has entered into a binding agreement with the Selling Shareholder to acquire remaining 51% paid-up equity capital of ALTL from the Selling Shareholder. Considering the rights available to the Group under the SPA, the Group has concluded that it controls ALTL, accordingly the Group has consolidated ALTL, for the year ended 31st March, 2021. Further the revenue and corresponding expenses of ALTL included in the consolidated financial results is from 26th November, 2020 to 31st March, 2021.

2.4 Summary of significant accounting policies

(a) Property, plant and equipment

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

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

Fixtures and Equipments are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

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

i) Depreciation on property, plant and equipment in respect of Mumbai Generation, Transmission and Distribution business except (ii) and (iii) of the Group covered under Part B of Schedule II of the Companies Act, 2013, has been provided on the straight line method at the rates using the methodology as notified by the regulator.

For certain types of assets in respect of which useful life is not specified in MERC Multi Year Tariff Regulations ("MYT regulations"), useful life as prescribed under Schedule-II of Companies Act, 2013 is considered.

ii) In respect of assets (other than Dahanu Thermal Power Station-DTPS) which have been accounted at fair value, considering life as specified in MYT regulations, depreciation is provided on Straight Line Method (considering a salvage value of 5%) over their balance useful life. In respect of DTPS based on technical evaluation, the balance useful life has been determined as 15 years as on 01st April, 2018.

iii) In respect of assets other than (i) & (ii) above, Salvage value in respect of assets which have not been accounted at fair value has been considered at 10% except in respect of Furniture & Fixture, Vehicles, Office Equipment and Electrical Installations which has been considered at 5% and Computers & Software at Nil (Consequent to amendment in tariff regulations, the Company has changed the Salvage value of Computers from 5 % to Nil w.e.f. 01st April 2020).

Decapitalisation

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

The estimated useful lives, residual values and depreciation method are reviewed at the end

Notes to Consolidated financial statements for the year ended 31st March, 2021

of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Estimated useful lives of assets are as follows:-

Type of Assets	Useful lives
Building	25-60 Years
Plant and Equipment (Except Meters & Batteries)*	3-35 Years
Plant and Equipment - Meters*	10 Years
Plant and Equipment - Batteries*	5 Years
Furniture and Fixtures	10-15 Years
Street Light	25 Years
Office Equipment	5-15 Years
Computer Equipment	3-6 Years
Vehicles	8-10 Years
Distribution Line / Transmission Cable	35 Years
Plant and Equipment, Building at DTPS	15 Years

*Consequent to amendment in tariff regulations, w.e.f. 01st April, 2020 AEML has changed the useful life (years) in respect of meters (from 25 to 10), batteries (from 25 to 5), Computers (from 3 to 6) and Substations put to use post 01st April, 2016 (Plant & Equipment) (from 25 to 35).

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

(b) Intangible assets

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

In respect of Intangible Asset ("Assets") pertaining to Mumbai Generation, Transmission and Distribution business during the year with effect from 29th August, 2018, the group has accounted for such Assets at their respective fair values based on the valuation done by professional valuation firm. Subsequent additions to the assets after 29th August, 2018 are accounted for at cost.

In respect of Intangible Asset ("Assets") pertaining to Mumbai Generation, Transmission and Distribution business acquired from Reliance Infrastructure Limited under a Court sanctioned scheme of arrangement with an appointed date of 1st April, 2018, in line with the requirements of the Court Scheme, the Company has accounted for such Assets at their respective fair values as at 01st April, 2018 based on valuation done by professional valuation firm.

Derecognition of Intangible assets.

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

Useful life

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

Intangible Assets with Indefinite lives are not amortised but are tested for impairment on annual basis.

Estimated useful lives of the intangible assets are as follows:

Type of Assets	Useful lives
Transmission License*	Indefinite
Computer Software	3-5 years

* Related to Mumbai distribution Business

(c) Intangible Assets Under Development - Software

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

(d) Impairment of PPE and intangible assets other then Goodwill

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

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

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

(e) Current versus Non-Current Classification

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

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

All other assets are classified as non-current.
A liability is treated as current when:

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

The Group classifies all other liabilities as non-current.

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

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

(f) Cash & Cash Equivalents

Cash & cash equivalents comprises cash on hand, cash at bank and short term deposit with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash & cash equivalents include balance with banks which are unrestricted for withdrawal and usage. For the purpose of the statement of cash flows, cash & cash equivalents consists of cash at banks and short term deposits as defined above, as they are considered an integral part of the Group's cash management.

(g) Statement of Cash Flows

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

(h) Financial Instruments

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

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

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

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

(A) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

i) Classification of financial assets

a) Financial assets at amortised cost

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

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

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. On initial recognition, the Group makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

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

All financial assets that do not meet the criteria for amortised cost are measured at FVTPL.

ii) Effective interest method

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

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

iii) Derecognition of financial assets

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

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

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

iv) Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Group estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument. The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on financial instruments has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life time expected credit losses and represent the

Notes to Consolidated financial statements for the year ended 31st March, 2021

lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that will results if default occurs within the 12 months after the reporting date and this, are not cash shortfalls that are predicted over the next 12 months. If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses. When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable recognition and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are expedient as permitted under Ind AS 109, this expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

v) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in Statement of Profit and Loss.

vi) Impairment of investments

The Group reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted in the statement of profit and loss.

(B) Financial liabilities and equity instruments

i) Classification as debt or equity

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

ii) Equity instruments

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

iii) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the Effective Interest Rate (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

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

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

such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

the financial liability whose performance is evaluated on a fair value basis, in accordance with the Group's documented risk management;

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

v) Financial liabilities at amortised cost

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

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

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

vi) Foreign exchange gains and losses

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

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

vii) Derecognition of Financial Liability

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

(C) Reclassification of financial assets and liabilities

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

(D) Offsetting of financial instruments

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

(i) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement:

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

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

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

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

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

To qualify for hedge accounting, the hedging relationship must meet all of the following requirements:

- there is an economic relationship between the hedged item and the hedging instrument
- the effect of credit risk does not dominate the value changes that result from that economic relationship
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

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

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

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

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

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

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

(i) Fair value hedges

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

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

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

(ii) Cash flow hedges

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

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

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

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Cost of inventory includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Unserviceable/ damaged stores and spares are identified and written down based on technical evaluation.

(k) (i) Business combinations and Goodwill

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

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

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

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

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

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

(ii) Acquisition of Transmission SPVs classified as asset acquisitions

The Group acquires transmission SPVs' from third parties. The Purchase consideration primarily pertains to the fair value of the transmission assets. Transmission SPV's are with fixed tariff revenues under the Transmission Services Agreements (TSAs). The only key activity for these SPV's is the maintenance of the transmission assets which is or will be outsourced to third parties. There are no employees retained on acquisition and no other significant processes are performed for earning tariff revenues.

Based on evaluation of the above fact pattern vis-à-vis the guidance on definition of business under Ind AS and also keeping in view the relevant guidance on similar fact pattern available under accounting standards applicable in other jurisdictions, the management has classified the acquisition of transmission SPVs as asset acquisition.

(l) Foreign currencies

The functional currency of the Group is Indian Rupee ₹. In preparing the financial statements of the Group, transactions in currencies other than the entity's functional currency are recognised at the rate of exchange prevailing on the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for: (i) exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and (ii) exchange differences on transactions entered into in order to hedge certain foreign currency risks (see note 48)

(m) Fair value measurement

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

(i) In the principal market for the asset or liability; or

Notes to Consolidated financial statements for the year ended 31st March, 2021

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Fair value measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

(ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

(iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per The Group's accounting policies. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(n) Revenue recognition

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

i) Income from Transmission of Power:

- Revenue are recognised immediately when the service is provided. The Group collects the tax on behalf of the government and therefore, these are not economic benefits flowing to the Group. Hence they are excluded from revenue.
- Transmission income is accounted for based on tariff orders notified by respective regulatory authorities.
- The transmission system incentive / disincentive is accounted for based on certification of availability by respective Regional Power Committee.
- Service concession arrangements (SCA) :

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

- fixed charges based on Annual Capacity and

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

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

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

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

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

(ii) Sale of Power - Distribution Business

Revenue from sale of power is recognised net of cash discount over time for each unit of electricity delivered at the pre determined rate.

(iii) Rendering of Services

Revenue from a contract to provide services is recognized over time based on output method where direct measurements of value to the customer based on survey's of performance completed to date. Revenue is recognised net of cash discount at a point in time at the contracted rate.

(iv) Amortisation of Service Line Contribution

Contributions by consumers towards items of property, plant and equipment, which require an obligation to provide electricity connectivity to the consumers, are recognised as a credit to deferred revenue. Such revenue is recognised over the useful life of the property, plant and equipment.

(v) Sale of Goods:

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

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the amount of revenue can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the Group.
- There is no significant judgement involved while evaluating the timing as to when customers obtain control of promised goods and services.

(vi) Interest on Overdue Receivables / Delay Payment Charges

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

(ii) Distribution Business - Consumers are billed on a monthly basis and are given average credit period of 15 to 30 days for payment. No delayed payment charges ('DPC') / interest on arrears ('IOA') is charged for the initial 15-30 days from the date of invoice to customers. Thereafter, DPC / IOA is charged at the rate prescribed in the tariff order on the outstanding amount.

Notes to Consolidated financial statements for the year ended 31st March, 2021

(o) Borrowing costs

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

Substantial time is defined as time required for commissioning of the assets considering industry benchmarks/MERC tariff regulations.

(p) Employee benefits

i) Defined benefit plans:

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

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

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

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

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

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

Defined benefit costs in the nature of current and past service cost and net interest expense or income are recognized in the statement of profit and loss in the period in which they occur. Actuarial gains and losses on remeasurement is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive

Notes to Consolidated financial statements for the year ended 31st March, 2021

income in the period in which they occur and is reflected immediately in retained earnings and not reclassified to profit or loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment.

ii) Defined contribution plan:

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

iii) Compensated Absences:

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

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

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

(q) Leases

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

The Group recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method.

(r) Taxation

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

i) Current tax

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

ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction other than a business combination that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

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

Regulators tariff norms provide the recovery of Income Tax from the beneficiaries by way of grossing up the return on equity based on effective tax rate for the financial year shall be based on the actual tax paid during the year on the transmission income from certain subsidiaries . Accordingly, deferred tax liability provided during the year which is fully recoverable from beneficiaries and known as "deferred assets recoverable / adjustable". The same will be recovered when the related deferred tax liability forms a part of current tax.

Notes to Consolidated financial statements for the year ended 31st March, 2021

(s) Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

(t) Provisions, Contingent Liabilities and Contingent Assets.

i) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Present obligations arising under onerous contracts are recognised and measured as provisions with charge to statement of profit and loss. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract

ii) Contingent liability

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

iii) Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised but disclosed only when an inflow of economic benefits is probable.

(u) Regulatory Deferral Account

The Group determines revenue gaps (i.e. surplus/shortfall in actual returns over returns entitled) in respect of its regulated operations in accordance with the provisions of Ind AS 114 "Regulatory Deferral Accounts" read with the Guidance Note on Rate Regulated Activities issued by ICAI and based on the principles laid down under the relevant Tariff Regulations/ Tariff Orders notified by the Electricity Regulator and the actual or expected actions of the regulator under the applicable regulatory framework. Appropriate adjustments in respect of such revenue gaps are made in the regulatory deferral account of the respective year for the amounts which are reasonably determinable and no significant uncertainty exists in such determination. These adjustments/accruals representing revenue gaps are carried forward as Regulatory deferral accounts debit/credit balances (Regulatory Assets/Regulatory Liabilities) as the case may be in the financial statements, which would be recovered/ refunded through future billing based on future tariff determination by the regulator in accordance with the electricity regulations.

The Group presents separate line items in the balance sheet for:

i. the total of all regulatory deferral account debit balances; and

ii. the total of all regulatory deferral account credit balances.

A separate line item is presented in the Statement of Profit and Loss for the net movement in regulatory deferral account. Regulatory assets/ liabilities on deferred tax expense/income is presented separately in the tax expense line item.

(v) Dividend distribution to equity shareholders

The Group recognises a liability to make dividend distributions to its equity holders when the distribution is authorised and the distribution is no longer at its discretion. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

In case of Interim Dividend, the liability is recognised on its declaration by the Board of Directors.

3 Significant accounting judgements, estimates and assumptions

Critical accounting judgements and key sources of estimation uncertainty

The application of the group accounting policies as described in Note 2, in the preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis and any revisions thereto are recognized in the period in which they are revised or in the period of revision and future periods if the revision affects both the current and future periods. Actual results may differ from these estimates which could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

3.1 Property, plant and equipment:(PPE)

i) Service concession arrangements[1]

The Group has assessed applicability of Appendix C of Ind AS - 115 "Service Concession Arrangements" with respect to its transmission assets portfolio. In assessing the applicability, the Group have exercised judgement in relation to the provisions of the Electricity Act, 2003, transmission license and / or agreements etc.

ii) Depreciation rates, depreciation method and residual value of property, plant and equipment[1]

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

i) Depreciation in respect of assets related to electricity transmission business covered under Part B of Schedule II of the Companies Act, 2013, has been provided on the straight line method at the rates using the methodology as notified by the respective regulators.

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

iii) Impairment of property plant and equipment[2]

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

3.2 Taxation:

Deferred tax assets[2]

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

Regulators tariff norms provide the recovery of Income Tax from the beneficiaries by way of grossing up the return on equity based on effective tax rate for the financial year shall be based on the actual tax paid during the year on the transmission income. Accordingly, deferred tax liability provided during the year which is fully recoverable from beneficiaries and known as "deferred assets recoverable / adjustable". The same will be recovered when the related deferred tax liability forms a part of current tax.

3.3 Fair value of Assets and liabilities acquired on business combination and Assets Acquisition are considered at fair value[2]. (Refer note 60)

3.4 Impairment of Goodwill and other intangible assets with indefinite life[2]

Goodwill and other intangible assets with indefinite life are tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments. (Refer Note 2.4 (k)) & (Refer note 56)

3.5 Judgement to estimate the amount of provision required or to determine required disclosure related to litigation and claim against the Group[2] (Refer note 42)

3.6 Fair value measurement of financial instruments[2]

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

3.7 Employee benefit plans:

Defined benefit plans and other long-term employee benefits[2]

The present value of obligations under defined benefit plan and other long term employment benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations, attrition rate and mortality rates etc. Due to the complexities involved in the valuation and its long term nature, these obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Information about the various estimates and assumptions made in determining the present value of defined benefit obligations are disclosed in Note 53.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

3.8 Assessment of lease classification in respect of long term power purchase agreement.[1]

The Group had a 25 year long term Power Purchase Agreement (PPA) with Vidharbha Industries Power Limited (VIPL), wherein the Group has committed to purchase the entire output generated from VIPL's generating station located at Butibori. In terms of the PPA, the Group subject to a minimum guaranteed plant availability (determined on a yearly basis) is liable to pay subject to MERC approval a fixed monthly capacity charge and a variable charge towards the cost of fuel.VIPL was obligated to make the plant available for generation for a minimum period of time (determined on a yearly basis) and the option as regards the timing of availability was at the discretion of VIPL.

The Group on assessment of the above arrangement has concluded, that considering the Group does not have the right to direct the use of the asset , the above arrangement does not qualify to be lease under IND AS 116.

During the previous year the Company had terminated the above PPA due to non-performance of obligations under the PPA by

VIPL, such termination has been upheld by MERC / Appellate Tribunal of Electricity ("ATE").

[1]Critical accounting judgments

[2]Key sources of estimation uncertainties

3.9 Acquisition of Transmission SPV's classified as Assets acquisitions

The Group acquires transmission SPVs' from third parties. The Purchase consideration primarily pertains to the fair value of the transmission assets. Transmission SPV's are with fixed tariff revenues under the Transmission Services Agreements (TSAs) for 35 years. The only key activity for these SPV's is the maintenance of the transmission assets which is or will be outsourced to third parties. There are no employees retained on acquisition and no other significant processes are performed for earning tariff revenues.

Based on evaluation of the above fact pattern vis-à-vis the guidance on definition of business under IND AS and also keeping in view the relevant guidance on similar fact pattern available under accounting standard applicable in other justifications, the management has classified the acquisition of Transmission SPV's as assets acquisition.

4 Standards issued but not effective /Impact of new and amended Ind As

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

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

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

Covid-19-related Rent Concessions – Amendments to Ind AS 116

Group has benefited from certain waiver of lease payments on premises. The waiver of lease payments of ₹2.55 crores has been accounted for as a negative variable lease payment in profit or loss and the part of the lease liability that has been extinguished by the forgiveness of lease payments has been derecognised, consistent with the requirements of Ind AS 109:3.3.1.

Definition of a Business – Amendments to Ind AS 103

The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. This amendment will likely result in more acquisitions being accounted for as asset acquisitions. The impact of asset acquisitions due to amendment in Ind AS 103 as disclosed in Note No. 60.

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

Amendments have been made to Ind AS 1 Presentation of Financial Statements and Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout Ind AS

Notes to Consolidated financial statements for the year ended 31st March, 2021

and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in Ind AS 1 about immaterial information. In particular, the amendments clarify:

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

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

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

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

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

The Group has not taken the benefit of the amendment.

Notes to Consolidated financial statements for the year ended 31st March, 2021

5. Property, Plant and Equipment, Intangible Assets and Capital Work in Progress

5.1 Property, Plant and Equipment

(₹ in Crores)

Description of Assets	Tangible Assets												Intangible Assets		
	Land (Free hold)	Building	Plant and Equipment	Furniture and Fixtures	Office Equipment	Computer Equipment	Vehicles	Railway Slidings	Distribution System	Jetties	Electrical Installation	Total	Computer Software	Transmission License	Total
I. Gross Carrying Amount															
Balance as at 1st April, 2019	2,727.51	951.16	17,036.11	19.45	13.05	27.35	14.29	6.70	4,608.41	1.23	16.38	25,421.64	7.17	981.62	988.79
Additions	8.27	33.30	863.26	2.03	1.91	42.13	12.81		437.76	-	6.10	1,407.57	15.24	-	15.24
Disposals	(0.07)	-	(7.62)	-	(0.17)	(0.42)	(1.15)	-	-	-	(0.12)	(9.55)	-	-	-
Balance as at 31st March, 2020	2,735.71	984.46	17,891.75	21.48	14.79	69.06	25.95	6.70	5,046.17	1.23	22.36	26,819.66	22.41	981.62	1,004.03
Additions	18.84	39.51	1,279.17	1.73	9.03	34.93	15.26	-	633.38	0.05	4.93	2,036.83	21.65	-	21.65
Disposals	-	-	(5.59)	-	(0.07)	(0.00)	(1.58)	-	-	-	(0.07)	(7.31)	-	-	-
Acquisitions of subsidiaries (Refer Note 60)	9.20	4.24	1,309.16	0.01	0.05	-	-	-	-	-	-	1,322.66			-
Balance as at 31st March, 2021	2,763.75	1,028.21	20,474.49	23.22	23.80	103.99	39.63	6.70	5,679.55	1.28	27.22	30,171.84	44.06	981.62	1,025.68
II. Accumulated depreciation															
Balance as at 1st April, 2019	-	31.64	2,430.22	3.30	3.51	10.00	2.15	0.26	100.69	0.05	3.18	2,585.00	3.57	-	3.57
Depreciation and Amortisation Expense	-	35.10	892.89	2.76	2.45	11.09	2.10	0.41	187.54	0.07	2.47	1,136.88	5.59	-	5.59
Eliminated on disposal of assets	-	-	(0.96)	-	(0.18)	(0.38)	(0.30)	-	-	-	(0.10)	(1.92)	-	-	-
Balance as at 31st March, 2020	-	66.74	3,322.15	6.06	5.78	20.71	3.95	0.67	288.23	0.12	5.55	3,719.96	9.16	-	9.16
Depreciation and Amortisation Expense	-	36.60	1,007.40	2.77	2.83	11.20	3.71	0.41	222.37	0.08	3.09	1,290.46	7.21	-	7.21
Eliminated on disposal of assets	-	-	(4.09)	-	(0.03)	-	(0.65)	-	-	-	(0.07)	(4.84)	-	-	-
Balance as at 31st March, 2021	-	103.34	4,325.46	8.83	8.58	31.91	7.01	1.08	510.60	0.20	8.57	5,005.58	16.37	-	16.37

(₹ in Crores)

Description of Assets	Tangible Assets												Intangible Assets		
	Land (Free hold)	Building	Plant and Equipment	Furniture and Fixtures	Office Equipment	Computer Equipment	Vehicles	Railway Slidings	Distribution System	Jetties	Electrical Installation	Total	Computer Software	Transmission License	Total
Net Carrying Value :															
As at 31st March, 2020	2,735.71	917.72	14,569.60	15.42	9.01	48.35	22.00	6.03	4,757.94	1.11	16.81	23,099.70	13.25	981.62	994.87
As at 31st March, 2021	2,763.75	924.87	16,149.03	14.39	15.22	72.08	32.62	5.62	5,168.95	1.08	18.65	25,166.26	27.69	981.62	1,009.31

Notes:

(i) The above Intangible Assets are other than internally generated Intangible Assets

(ii) Transmission License was acquired as a part of the business acquisition. The license is valid for 25 years from 16th August 2011 to 15th August, 2036. The license may be further extended at minimal cost, considering similar extensions have happened in the past. Based on an analysis of all of the relevant factors, the license is considered by the company as having an indefinite useful life, as there is no foreseeable limit to the period over which the transmission business related assets are expected to generate net cash inflows for the company.

iii) In respect of ATIL, the title deeds in respect of certain land and Buildings aggregating to cost of ₹64.45 Crores are in the erstwhile names of "Adani Power Limited" from which the transmission business was demerged into ATIL. Post demerger, the Company is in process of transferring the same in the name of the Company.

(iv) In respect of AEML, the title deeds in respect of land and certain residential properties are either in the erstwhile names viz: "Bombay Suburban Electric Supply Limited" / "Reliance InfrastructureLimited" . AEML is in process of transferring the same in the name of the Company.

For charge created on aforesaid assets, refer note 22.

5.2 Capital Work-In-Progress

(₹ in Crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening balance	2,208.96	694.06
Expenditure incurred during the year	3,719.38	2,761.12
Employee benefit expenses capitalised	17.17	32.20
Borrowing cost capitalised	189.51	44.75
Other expenses capitalised	341.35	59.36
Addition due to Acquisitions of subsidiaries (refer note 60)	821.84	40.28
Less: Capitalised during the year	(2,058.48)	(1,422.81)
Closing Balance	5,239.73	2,208.96

For charge created on aforesaid assets, refer note 22.

5.3 Right of Use Assets

(₹ in Crores)

Particulars	Transition due to IND AS 116	Additions for the year ended 31st March, 2020	Disposal for the year ended 31st March, 2020	Depreciation for the year ended 31st March, 2020	Net carrying amount as at 31st March, 2020	Additions for the year ended 31st March, 2021	Disposal for the year ended 31st March, 2021	Acquisition	Depreciation for the year ended 31st March, 2021	Net carrying amount as at 31st March, 2021
Leasehold Land	97.44	1.58	-	5.78	93.24	0.86	-	-	5.93	88.17
Buildings	64.37	90.66	(25.12)	23.97	105.94	14.14	(4.78)	0.05	23.10	92.25
Way Leave Rights	8.41	31.75	-	1.80	38.36	-	-	-	1.81	36.55
Computer Equipment	-	-	-	-	-	1.55	-	-	0.37	1.18
Total	170.22	123.99	(25.12)	31.55	237.54	16.55	(4.78)	0.05	31.21	218.15

In respect of ATIL,the title deeds in respect of certain land and Buildings are in the erstwhile name: "Adani Power Limited" from which the transmission business was demerged into the Company. Post demerger, the Company is in process of transferring the same in the name of the Company.

5.4 Depreciation and Amortisation Expenses

(₹ in Crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Depreciation on Tangible Assets	1,290.46	1,136.88
Amortisation of Intangible Assets	7.21	5.59
Amortisation of Right of Use	31.21	31.55
Total	1,328.88	1,174.02

(i) Consequent to amendment in tariff regulations, w.e.f. 1st April, 2020, Group has changed the useful life in respect of batteries and meters and accordingly depreciation for year ended is higher by ₹ 81.19 crores.

Further in line with the tariff regulations, w.e.f. 1st April, 2020, the Group has changed the useful life in respect to certain Plant & Machinery and IT Equipment, accordingly depreciation for the year ended is lower by ₹ 13.40 crores.

Notes to Consolidated financial statements for the year ended 31st March, 2021

6 Investments

Non-Current investments

Investment in Government or Trust Securities at amortised cost

(₹ in Crores)

Contingency Reserve Investment (Quoted)	No of Securities	Face Value of ₹ unless otherwise specified	As at 31st March, 2021	As at 31st March, 2020
7.16% Central Government of India - 2050	1,87,50,000 (Nil)	100 (Nil)	202.07	-
9.23% Central Government of India - 2043	13,65,000 (Nil)	100 (Nil)	17.75	-
8.17% Central Government of India - 2044	30,00,000 (Nil)	100 (Nil)	35.58	-
8.13% Central Government of India - 2045	10,00,000 (Nil)	100 (Nil)	11.78	-
8.97% Central Government of India - 2030	5,000 (Nil)	100 (Nil)	0.06	-
		Total	267.24	-
Aggregate book value of Quoted Investments			267.24	-
Aggregate market value of Quoted Investments			259.90	-

7 Loans- At Amortised Cost

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Housing loans to employee against Hypothecation of the property (Secured, considered good)	25.96	31.37
Loan to employees (Unsecured, considered good)	7.86	7.54
Inter Corporate Deposit given to related party (Unsecured, considered good)	1,040.00	-
Total	1,073.82	38.91

8 Non Current Financial Assets - Others

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Fixed Deposits with maturity over 12 months*	483.18	59.75
Advance for Business Acquisition	-	17.21
Financial Asset Under Service Concession Arrangement (SCA)	1130.43	1,196.20
Unbilled Revenue	159.14	-
Derivative instruments designated in hedge accounting relationship	242.53	998.30
Security deposit - Considered Good	20.88	30.76
Security deposit -Considered doubtful	1.05	1.05
Balances held as Margin Money or security against borrowings	874.47	0.19
Total	2,911.68	2,303.46
Less : Provision For Doubtful Deposits	(1.05)	(1.05)
Total	2,910.63	2,302.41

* Represents deposits Amount to ₹477.99 croes (PY ₹59.75 Crores) towards Debt Service Reserve Account (DSRA) and Capex Reserve Account (CRA)

Notes to Consolidated financial statements for the year ended 31st March, 2021

9 Income Tax Assets (Net)

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Income Tax Assets (Net)	63.07	37.31
Total	63.07	37.31

10 Non Current Assets - Others

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Advance to Employees	2.34	-
Capital advances		
Considered Good*	702.88	632.95
Considered Doubtful	0.96	1.39
	703.84	634.34
Less : Expected Credit Loss on Capital Advances	-	(1.39)
	703.84	632.95
Prepaid Expenses	2.72	2.91
Deferred Assets (recoverable) / adjustable	968.74	874.83
Total	1,677.64	1,510.69

* Includes capital advance of ₹271.00 crores given in September 2019 to Sunbourne Developers Private Limited (SDPL) (related party) towards identified property in BKC area of Mumbai. SDPL is in process of completing certain legal formalities post completion it would transfer legal title to the AEML.

11 Inventories

(At lower of Cost and Net Realisable Value)

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Fuel	128.06	332.83
Fuel -in Transit	19.06	87.19
Stores & spares	86.59	121.15
Total	233.71	541.17

12 Current Financial Assets - Investments

(₹ in Crores)

Current Financial Assets - Investments	**Face Value of ₹ unless otherwise specified**	**No of Units***	**As at 31st March, 2021**	**As at 31st March, 2020**
Investment in Mutual Funds units at FVTPL (Unquoted)				
Contingency Reserve Investments				
SBI Liquid Fund Direct Growth Plan	1000	- (5,95,254)	-	185.07
SBI Premier Liquid Fund - Direct Growth Plan	1000	- (1,43,513.49)	-	44.62

Notes to Consolidated financial statements for the year ended 31st March, 2021

12 Current Financial Assets - Investments (Contd.)

(₹ in Crores)

Current Financial Assets - Investments	Face Value of ₹ unless otherwise specified	No of Units*	As at 31st March, 2021	As at 31st March, 2020
Other Investments				
Birla Sun Life Cash Plus - Growth-Direct Plan	100	- (41,078.07)	-	1.31
Nippon India Liquid Fund Direct Growth Plan	1000	2,045.12 (1,41,593.37)	1.03	68.68
Nippon India Overnight Fund -Direct Growth	1000	15,60,596.02 (-)	17.24	-
ICICI Prudential Overnight Fund Direct Plan	100	14,15,818.09 (12,01,911.06)	15.71	12.95
Kotak Liquid Fund - Direct Growth Plan	1000	4,69,422.56 (-)	51.54	-
HDFC Overnight Fund- Directplan-Growth Option	1000	15,709.09 (-)	4.80	-
Aditya Birla Overnight Fund Growth -DirectPlan	1000	732.30 (-)	0.08	-
SBI Overnight Fund Direct Growth	1000	79,426.51 (-)	26.62	-
Edelweiss Overnight Fund Direct Plan Growth	1000	11,893.46 (-)	1.27	-
UTI Overnight Fund-Direct Growth Plan	1000	1,04,953.44 (-)	29.57	-
Axis Overnight Fund Direct Growth	1000	2,15,332.72 (-)	23.43	-
ICICI Prudential Liquid Fund - Direct Growth Plan	100	1,14,648.08 (1,301.26)	3.50	0.04
		Total	174.79	312.67
* Previous year units are in bracket				
Aggregate Carrying value of unquoted investments			174.79	312.67
Aggregate market value of unquoted investments			174.79	312.67

13 Trade Receivables

(Unsecured otherwise stated)

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Unsecured, considered good	1,013.54	1,000.26
Credit Impaired	11.00	77.46
	1,024.54	1,077.72
Less : Expected Credit Loss	(11.00)	(77.46)
Total	1,013.54	1,000.26

For charge created on aforesaid assets, refer note 22.

Notes to Consolidated financial statements for the year ended 31st March, 2021

13 Trade Receivables (Contd.)

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Age of receivables		
Within the Credit Period	594.19	637.64
Beyond Credit Period	419.35	362.62
	1,013.54	1,000.26

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Movement in the allowance for doubtful trade receivables		
Balance at the beginning of the year	77.46	29.50
Add/(Less) : Provision made / (Written off) during the year (net of recoveries)	(66.46)	47.96
Balance at the end of the year	11.00	77.46

(i) The Group holds security deposit amounting to ₹474.80 crores (PY - ₹469.72 crores)in respect of trade receivable of Distribution business.

(ii) The average credit period for the Group's receivables from its distribution business is in the range of 15 to 30 days. No interest or delayed payment is charged on trade receivables till the due date. Thereafter, one time delayed payment charges at the rate of 1.25% & interest after 30 / 60 days from bill date is charged in the range of 12% to 15% per annum.

(iii) The average credit period for the Group's receivables from its Transmission business is in the range of 30 to 60 days. No interest or delayed payment is charged on trade receivables till the due date. Thereafter, one time delayed payment charges at the rate of 1.25% & interest after 30 / 60 days from bill date is charged in the range of 12% to 15% per annum. For Transmission business, regulator approved tariff is receivable from long-term transmission customers (LTTCs) that are highly rated companies or government parties. Counterparty credit risk with respect to these receivables is very minimal.

(iv) The Group considers for impairment its receivables from customers in its of Distribution business. The risk of recovery in these businesses is reduced to the extent of security deposits already collected and held as collateral. Balance amount receivable over and above the deposit is assessed for expected credit loss allowances. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experienced and adjusted for forward- looking information. The expected credit loss allowance is based on ageing of the days the receivables are due.

(v) Above trade receivables are pledged as security with the Lenders against borrowings. (Refer note 22)

(vi) The concentration of credit risk is very limited due to the fact that the large customers are mainly government bodies / departments and remaining customer base is large and widely dispersed and secured with security deposit.

14 Cash and Cash equivalents

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Balances with banks		
In current accounts	175.71	920.33
Fixed Deposits (with original maturity for three months or less)	60.60	306.05
Cheque / Draft on Hand	24.97	6.19
Cash on Hand	2.40	0.42
Total	263.68	1,232.99

For charge created on aforesaid assets, refer note 22.

Notes to Consolidated financial statements for the year ended 31st March, 2021

15 Bank balance other than Cash and Cash equivalents

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Balances held as Margin Money	970.84	688.85
Fixed Deposits (with original maturity for three months or less)	49.80	375.00
(Lodged against Bank guarantees and Debt service reserve account)		
Fixed Deposit (with original maturity of more than 3 months and less than 12 months)	5.59	-
Total	1,026.23	1,063.85

For charge created on aforesaid assets, refer note 22.

16 Current Financial Assets - Loans

(At Amortised Cost)

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Housing loans to employee against Hypothecation of the property	3.74	4.82
(Secured, considered good)		
Loans to employees - (Unsecured, considered good)	3.44	3.58
Loans to Related Party - (Unsecured, considered good) (Refer note 44)	-	1,623.00
Loans to Others - (Unsecured, considered good)	17.25	777.88
Total	24.43	2,409.28

17 Current Financial Assets - Others

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Interest receivable	10.09	44.47
Unbilled Revenue	1,266.29	1,105.97
Financial Asset Under Service Concession Arrangement (SCA)	88.84	92.26
Security deposit	18.75	1.37
Derivative instruments designated in hedge accounting relationship	0.08	299.24
Other Receivables	10.54	-
Total	1,394.59	1,543.31

18 Other Current Assets

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Advance to Suppliers	370.27	293.33
Balances with Government authorities	17.09	12.42
Prepaid Expenses	35.79	19.53
Advance to Employees	5.87	8.89
Total	429.02	334.17

Notes to Consolidated financial statements for the year ended 31st March, 2021

19 Equity Share Capital

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Authorised Share Capital		
1,50,00,00,000 (As at 31st March 2020-1,50,00,00,000) equity shares of ₹10 each	1,500.00	1,500.00
Total	1,500.00	1,500.00
Issued, Subscribed and Fully paid-up equity shares		
1,09,98,10,083 (As at 31st March 2020- 1,09,98,10,083) fully paid up equity shares of ₹10 each	1,099.81	1,099.81
Total	1,099.81	1,099.81

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

Equity Shares	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	(₹ in Crores)	No. of Shares	(₹ in Crores)
At the beginning of the Year	1,09,98,10,083	1,099.81	1,09,98,10,083	1,099.81
Outstanding at the end of the year	1,09,98,10,083	1,099.81	1,09,98,10,083	1,099.81

b. Terms/rights attached to equity shares

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

c. Aggregate Number of shares issued other than cash, during the period of five years immediately preceding the reporting date:

Particulars	As at 31st March, 2021	As at 31st March, 2020
Company has issued and allotted fully paid up equity shares of ₹10 each, to the equity shareholders of Adani Enterprise Limited ("AEL") pursuant to the Composite Scheme of Arrangement during F.Y, 2015-16	1,099,810,083	1,099,810,083

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

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. Shares	% holding in the class	No. Shares	% holding in the class
Equity shares of ₹10 each fully paid				
Mr. Gautam S. Adani / Mr. Rajesh S. Adani (On the behalf of S.B. Adani Family Trust)	62,11,97,910	56.48%	62,11,97,910	56.48%
Adani Tradeline LLP (Formerly known as Parsa Kente Rail Infra LLP)	9,94,91,719	9.05%	9,94,91,719	9.05%
Total	72,06,89,629	65.53%	72,06,89,629	65.53%

Notes to Consolidated financial statements for the year ended 31st March, 2021

20 Unsecured Perpetual Equity Instrument

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Opening Balance	3,279.42	3,408.03
Add: Availed during the year	-	700.00
(Less): Repaid during the year	(680.00)	(1,209.62)
Add: Distribution on Unsecured Perpetual Equity Instrument (Net of Tax)	230.28	381.01
Closing Balance	2,829.70	3,279.42

Adani Transmission Limited (Parent Company) has issued Unsecured Perpetual Equity Instrument (the "Instrument") to Adani Infra (India) Limited. These Instrument are perpetual in nature with no maturity or redemption and are callable only at the option of the Parent company. The distribution on part of these Instrument i.e ₹2,129.70 Crores (As at 31.03.2020: ₹2,579.42 Crores) outstanding as at 31st March, 2021 are fixed at coupon rate of 11.80% p.a. compounded annually and for remaining amount i.e. ₹700 Crores (As at 31.03.2019: ₹700 Crores) outstanding as at 31st March, 2021 are without any coupon rate. The obligation of the Parent company to repay the outstanding amounts shall rank on a parri passu basis with the obligations of the Parent company to make payments/distributions in relation to any parity securities issued/ to be issued by the Parent company and be senior to the obligations of the Parent company to make payments/distributions in relation to preference and equity share capital and any other securities at par with preference and equity share capital of the Parent Company.

As this Instrument are perpetual in nature and ranked senior only to the Share Capital of the Parent Company and the Parent company does not have any redemption obligation, these are considered to be in the nature of equity instruments.

21 Other Equity

(₹ in Crores)

			As at 31st March, 2021	As at 31st March, 2020
a.	Capital Reserve (Refer note (i) below)			
	Opening Balance		208.87	208.87
	Add : Addition during the year		-	-
	Closing Balance	Total (a)	208.87	208.87
b.	Effective portion of cashflow Hedge (Refer note (ii) below)			
	Opening Balance		(33.41)	(174.55)
	Effective portion of cash flow hedge for the year		(149.34)	141.14
	Closing Balance	Total (b)	(182.75)	(33.41)
c.	General Reserve (Refer note (iii) below)			
	Opening Balance		1,220.60	1,220.60
	Less: Appropriation to Self Insurance Reserve		(12.65)	-
	Closing Balance	Total (c)	1,207.95	1,220.60
d.	Capital Redemption Reserve (Refer note (iv) below)			
	Opening Balance		1,891.88	1,891.88
	Add: Transfer from Retained Earning on redemption of Optionally Convertible Redeemable Preference Shares		544.65	-
	Closing Balance	Total (d)	2,436.53	1,891.88
e.	Debenture Redemption Reserve (Refer note (v) below)			
	Opening Balance		13.44	12.87
	Transfer from/(to) Retained Earning		(1.16)	0.57
	Closing Balance	Total (e)	12.28	13.44

Notes to Consolidated financial statements for the year ended 31st March, 2021

21 Other Equity (Contd.)

(₹ in Crores)

			As at 31st March, 2021	As at 31st March, 2020
f.	Contingency Reserve (Refer note (vi) below)			
	Opening Balance		240.54	203.17
	Addition during the year		44.37	37.37
	Closing Balance	Total (f)	284.91	240.54
g.	Self Insurance Reserve (Refer note (vii) below)			
	Opening Balance		-	-
	Addition during the year		12.65	-
	Closing Balance	Total (g)	12.65	-
h.	Surplus in the Statement of Profit and Loss (Refer note (viii) below)			
	Opening Balance		577.81	172.20
	Add : Profit for the year		1,224.04	741.82
	(Less): Other comprehensive income arising from remeasurement of Defined Benefit Plans		21.31	(13.21)
	(Less): Distribution on Unsecured Perpetual Equity Instrument		(231.68)	(383.29)
	(Less): Transfer to Contingency reserve		(38.66)	(36.52)
	(Less): Transfer to Debenture Redemption Reserve		1.16	(0.57)
	Add: Gain on sale of Equity Shares of Subsidiary Companies to non controlling interest (Refer note 58)		-	97.38
	Transfer from Retained Earning to Capital Redemption Reserve (CRR) on redemption of optionally convertible redeemable Preference Shares		(544.65)	-
		Total (h)	1,009.33	577.81
		Total (a+b+c+d+e+f+g+h)	4,989.77	4,119.73

Notes :

i) It has been created on acquisition of subsidiary companies.

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

iii) It has been created pursuant to the demerger of transmission undertaking of Adani Enterprises Limited into the company. The general reserve is used from time to time to transfer profit from retained earnings for apportion purposes.

Iv) Under the provisions of Section 55 of the Companies Act, 2013 where the redemption of preference shares is out of profits, an amount equal to nominal value of shares redeemed is to be transferred to a reserve called 'capital redemption reserve'

v) The Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the company to create DRR out of profits of the company available for payment of dividend. The DRR is created over the life of debentures out of retained earnings.

vi) As per the provisions of MERC MYT Regulations read with Tariff orders passed by MERC, the Group being a Distribution and Transmission Licensee, makes an appropriation to the Contingency Reserve fund to meet with certain exigencies. Investments in Bonds issued by Government of India and Mutual Funds have been made against such reserve.

Notes to Consolidated financial statements for the year ended 31st March, 2021

21 Other Equity (Contd.)

vii) The company has decided that insurance of the transmission lines of subsidiary companies would be through the self-insurance to mitigate the loss of assets hence a reserve has been created in current year. The insurance of sub stations of subsidiary companies are covered through insurance companies under all risk policy.

viii) Retained earnings (in the event of availability of profits) represents the amount that can be distributed by the Company as dividends considering the requirements of the Companies' Act, 2013. No dividend are distributed during the year by the Company.

22 Non current Financial Liabilities - Borrowings

(₹ in Crores)

	Non-current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Secured				
Bonds				
5.20% US private Placement	2,722.83	2,909.97	84.74	87.92
4.25% USD Bonds	3284.50	3,625.18	216.84	129.90
3.949% USD Bonds	7,235.63	7,488.22	-	-
4.00% USD Bonds	3606.14	3,725.85	-	-
Term Loans				
From Banks				
Rupee loan	1,436.30	550.89	803.38	84.60
Foreign currency loan	1,339.64	687.72	5.98	11.06
From Financial Institutions	1,813.69	1,019.33	63.57	20.38
Trade Credits & Buyers Credit				
From Banks	232.25	65.21	-	-
Non Convertible Debentures				
8.46% Non Convertible Debenture	110.86	122.06	11.19	11.51
9.35% Non Convertible Debenture	-	-	-	164.94
9.85% Non Convertible Debenture	-	-	-	209.96
Unsecured				
Shareholders Affiliated Debts (Refer note 58C)	2,026.97	2,095.22	-	-
Total	23,808.81	22,289.65	1,185.70	720.27
Amount disclosed under the head "Other current financial liabilities" (Refer Note: 30)	-	-	(1,185.70)	(720.27)
Net amount	23,808.81	22,289.65	-	-

Notes to Consolidated financial statements for the year ended 31st March, 2021

22 Non Current Financial Liabilities - Borrowings (Contd.)

Notes

Borrowings	Security	Terms of Repayment
4.25% 500 Million USD Bonds	4.00% USD Bonds, 4.25% USD Bonds and Non-Convertible Debentures are secured by way of first ranking pari passu charge in favour of the Security trustee (for the benefit of the Bond/Debenture holders): (a) Mortgage of land situated at Sanand. (b) Hypothecation of all the assets (movable and immovable) including current assets of the Company. (c) Pledge over 100% equity shares of Adani Transmission (India) Limited (ATIL) and Maharashtra Eastern Grid Power Transmission Company Limited (MEGPTCL), both are wholly owned subsidiaries of the company. (d) accounts and receivables of ATIL and MEGPTCL and also the operating cash flows, book debts, loans and advances, commissions, dividends, interest income, revenues present and future of ATIL and MEGPTCL.	USD Bonds aggregating to ₹ 3,527.56 Crores (31st March, 2020- ₹ 3,783.25 Crores) are redeemable by Half yearly payment starting from May 2020 to May 2036.
4.00% 500 Million USD Bonds		USD Bonds aggregating to ₹ 3,655.50 Crores (31st March, 2020- ₹ 3,725.85 Crores) are redeemable by bullet payment in FY 2026.
Non Convertible Debentures (NCD)		INR NCDs (Non Convertible Debentures) aggregating to ₹ Nil (31st March, 2020 - ₹ 374.90 Crores) are redeemable at different maturities in FY 2020.
Non Convertible Debentures (NCD)		NCD aggregating to ₹ 122.84 Crores (as at 31st March, 2020 - ₹ 134.41 Crores) having an interest rate of 8.46% which is governed by NCD agreement and redeemable in quarterly basis starting from FY 2018-19 to FY 2033-34.

Borrowings	Security	Terms of Repayment
3.949% USD Bonds	a) a first pari passu mortgage over certain Identified Immovable Properties; b) a first pari passu charge on the movable assets of the Project (both present and future); c) a first pari passu charge on all book debts, operating cash flows, receivables (excluding Past Period Regulatory Assets, monies in the Debenture Liquidity Account and the post distribution cash flows), commissions or revenues whatsoever arising out of the Project (both present and future); d) a first pari passu charge on the Accounts under the Project Accounts Deed (except the Excluded Accounts (which means the AEML PPRA Account, the Debenture Liquidity Account, each of the AEML Post Distribution Cash Flow Accounts; any accounts opened for the purpose of managing any Excluded Cash Flows; and the AEML Distributions Account)) and amounts lying to the credit of such Accounts (both present and future); e) a first pari passu assignment in relation to Transmission License and Distribution License, subject to approval from the MERC; f) a pledge over 100% of the entire paid up equity and preference share capital of the Company;	3.949% Bond amounting to ₹ 7,235.63 Crores (31st March, 2020 ₹ 7,488.22 Crores) is repayable by way of bullet payment in February 2030 with an obligation to prepay the debt on occurrence of certain events. The Group can voluntarily prepay the Bond on payment of premium.
Term Loans from Banks - 2.99938% (3.9466%)		3.9466% Term Loan from Banks amounting to ₹ 1,248.77 Crores (31st March, 2020 ₹500.59 Crores) By way of bullet payment with an obligation to prepay the debt on occurrence of certain events. The Company can voluntarily prepay the Term Loan either in full or part. The Future annual repayment obligations on principal amount are as under:- a) 1 Instalment amounting to ₹ 511.77 Crores in FY 23 (31st March, 2020 ₹ 529.66 Crores) b) 2 Instalment of amounting to ₹ 767.65 Crores in FY 23 (31st March, 2020 ₹ Nil) Impact of recognition of borrowings at amortised cost using effective interest method is ₹ (30.65) Crores [31st March 2020 is ₹ (29.07) Crores]

Notes to Consolidated financial statements for the year ended 31st March, 2021

22 Non Current Financial Liabilities - Borrowings (Contd.)

Borrowings	Security	Terms of Repayment
8.50% Rupee Term Loans from Banks	g) a non-disposal undertaking over immovable properties other than certain identified immoveable properties; h) a non-disposal undertaking over the immoveable and moveable assets (including all book debts, operating cash flows, receivables, commissions or revenues whatsoever) of the Service Company (both present and future); and i) a non-disposal undertaking over 100% of the equity and preference share capital of the Service Company. In addition to the aforesaid, the Collateral shall also include such security interest as may be required to be created by other group entities of the Issuer in the future, and such collateral may be shared in the same manner as aforementioned with other lenders of the Company, and such future obligors. **Ranking of Security** The Collateral will be a first charge ranking pari passu among the debt security holders, without any preference or priority and shall rank pari passu with all the senior secured debt of the Company in accordance with the Senior Secured Note Documents.	8.50% Rupee term loan amounting to ₹ 66.67 Crores (31st March, 2020 - ₹ 100 Crores) from Banks are repayable by way of three equal annual instalments of ₹ 33.33 Crores staring from March 2021.
6.3645% Shareholders Affiliated Debts	(i) First-ranking fixed charge over all its present and future right, title, benefit and interest in the Excluded Loan Accounts (ii) First-ranking floating charge over all of its present and future right, title, benefit and interest in the equity distribution account	Shareholders Affiliated Debts are repayable commencing from February 2027 through February 2040 with an obligation to prepay the debt on occurrence of certain events. The Company can voluntarily prepay the debt on payment of premium.
Rupee Term Loans aggregating , Foreign Currency Loans, Rupee Term Loan from Financial Institution and Letter of credits/ Buyers Credit	Availed by the Group from various banks and financial institutions are secured by a pari passu charge on all present and future movable and immovable assets, receivables, project documentation, cash flows, licences, insurance contracts and approval. Respective companies shares are pledged.	(A) Letter of credits & Buyers Credit (Foreign and Inland) from bank of ₹ 584.64 Crores (31st March, 2020 - ₹ 65.21 Crores) carry interest rates ranging from 8.15% to 8.75% p.a. and (a) ₹ 40.39 Crores will be converted in to Rupee term loan as per the terms on the day of maturity or will be repaid and (b) ₹ 24.82 Crores will be converted in to Rupee term loan as per the terms on the day of maturity or will be repaid and the repayment of RTL will start from Mar-2022 ends on Mar 2041. (B) Rupee term loans from Banks of ₹ 2.196.32 Crores (31st March, 2020 ₹ 548.51 Crores) and Rupee Term Loan from Financial Institution of ₹ 1,889.65 Crores (31st March, 2020 ₹ 1051.04 Crores) carry interest rates ranging from 7.30% to 11.75%. The loan is repayable at different maturities ending on FY 2050-51.

Notes to Consolidated financial statements for the year ended 31st March, 2021

22 Non Current Financial Liabilities - Borrowings (Contd.)

Borrowings	Security	Terms of Repayment
		(C) Foreign Currency loan (ECB Loan) from bank aggregating ₹ 97.35 Crores (31st March 2020: ₹ 200.10 Crores) carries an Interest @ 1.85% per annum. The entire FC loan is repayable in 19 quarterly instalments started from December 2017.
5.20% US private Placement	5.20% US private Placement Notes are issued by six (6) transmission companies. The Notes are secured/to be secured by first ranking charge on receivables, on all immovable and movable assets, charge or assignment of rights under Transmission Service Agreement and other project documents, charge or assignment of rights and/or designation of the Security Trustee as loss payee under each insurance contract in respect of Project. The Notes are also secured by way of pledge over 100% of shares of the Seven (7) companies held by Holding Company, i.e. Adani Transmission Limited.	5.20%, 400 Million USD Denominated Notes aggregating ₹ 2,838.13 crores, (31st March, 2020- ₹ 3,020.60 Crores) which has a semi-annual repayment schedule with first repayment in the month of Sep-2020 and semi-annually then after over the period of its tenor ending March-2050.
Buyers credit	Secured Loan	Buyers credit aggregating ₹ 92.35 crores, (31st March, 2020- ₹ 133.27 Crores) from banks at the rate of interest ranges from 1.55 % to 5.7 %
Bank Over Draft	Secured Loan	The Bank Over draft aggregating ₹ 352.39 crores, (31st March, 2020- ₹ Nil)
Secured Loan from banks	Secured Loan	Working Capital Loan aggregating ₹ 511.45 Crores, (31st March, 2020- ₹ 1036.83 Crores) from banks at the rate of interest ranges from 5.70% to 8.95 %
Unsecured Loan- from bank	Unsecured Loan	Loan aggregating ₹ 659.51 crores, (31st March, 2020- ₹ 54.67 crores) from banks at the rate of interest ranges from 4.25% to 6.44 %.
Unsecured Loan- from related party	Unsecured Loan	Loan aggregating ₹ 350.77 Crores, (31st March, 2020- ₹ Nil) from related party at the rate of interest at 11.80 %

23 Non Current Trade Payable

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
(A) total outstanding dues of micro enterprises and small enterprises; and	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	31.93	29.35
Total	31.93	29.35

Notes to Consolidated financial statements for the year ended 31st March, 2021

24 Non Current Financial Liabilities - Others

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Payable on purchase of Property, Plant and Equipment	393.34	228.31
Derivative instruments designated in hedge accounting relationship	145.34	82.17
Lease Liability Obligation	88.91	109.38
Total	627.59	419.86

25 Other Non Current Liabilities

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Deferred Revenue- Service Line Contributions from Consumers	231.77	226.90
Advances from Customer	51.12	51.12
Total	282.89	278.02

26 Provisions

(₹ in Crores)

	Non-current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Provision for Gratuity (Refer note 53)	148.35	131.66	32.37	31.99
Provision for Compensated Absences	400.51	108.92	26.50	27.76
Provision for Other Employment Benefits	20.01	19.35	2.98	2.65
Provision for Stamp Duty	15.65	15.65	-	-
Total	584.52	275.58	61.85	62.40

27 Deferred Tax Liabilities (net)

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Deferred Tax Liabilities		
Mark to Market Gain on Mutual Funds	(0.10)	(0.90)
Difference between book base and tax base of property, plant and equipment and SCA	(2,528.14)	(2,178.41)
Deferred Tax Liabilities	(2,528.24)	(2,179.31)
Deferred Tax Assets		
Provision disallowed (Employee Benefits)	205.82	7.00
Interest on Lease Liabilities	-	0.02
Unabsorbed Depreciation	1,093.80	1,108.76
Business Losses	16.13	20.92
Allowance for Doubtful Debts, Deposits, Advances and property tax payable	5.67	-
Hedge Reserve	20.47	2.76
Less :- MAT Credit Entitlement	-	(68.48)
Deferred Tax Assets	1,341.89	1,297.94
Net deferred tax liabilities Total	1,186.35	971.37

Notes to Consolidated financial statements for the year ended 31st March, 2021

27 Deferred Tax Liabilities (net) (Contd.)

Tariff regulations provide for the recovery of Income Tax from the beneficiaries / consumers by way of grossing up the return on equity based on effective tax rate for the financial year. Accordingly, deferred tax liability provided during the year which is fully recoverable from beneficiaries / consumers is disclosed as "deferred assets recoverable / adjustable". The same will be recovered when the related deferred tax liability get converted into current tax.

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

(₹ in Crores)

Particulars	Opening Balance as at 1st April, 2020	Recognised in profit and loss	Acquisitions of subsidiaries	Recognised in OCI	Closing Balance as at 31st March, 2021
Tax effect of items constituting deferred tax liabilities:					
Mark to Market gain on Mutual Funds	(0.90)	0.80	-	-	(0.10)
Difference between book base and tax base of property, plant and equipment and SCA	(2,178.41)	(354.26)	4.53	-	(2,528.14)
Total	(2,179.31)	(353.46)	4.53	-	(2,528.24)
Tax effect of items constituting deferred tax assets:					
Provision disallowed (Employee Benefits)	7.00	198.82	-	-	205.82
Interest on Lease Liabilities	0.02	(0.02)	-	-	-
Unabsorbed Depreciation	1,108.76	(14.96)	-	-	1,093.80
Allowance for Doubtful Debts, Deposits and Advances	-	5.67	-	-	5.67
Business Losses	20.92	(4.79)	-	-	16.13
Hedge Reserve	2.76	-	-	17.71	20.47
Total	1,139.46	184.72	-	17.71	1,341.89
MAT credit entitlement	68.48	(68.48)	-	-	-
Net Deferred Tax Asset / (Liabilities)	(971.37)	(237.22)	4.53	17.71	(1,186.35)

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

(₹ in Crores)

Particulars	Opening Balance as at 1st April, 2019	Recognised in profit and loss	Acquisitions of subsidiaries	Recognised in OCI	Closing Balance as at 31st March, 2020
Tax effect of items constituting deferred tax Liabilities:					
Mark to Market gain on Mutual Funds	(0.29)	(0.61)	-	-	(0.90)
Difference between book base and tax base of property, plant and equipments and SCA	(1,462.27)	(716.14)	-	-	(2,178.41)
Total	(1,462.56)	(716.75)	-	-	(2,179.31)

Notes to Consolidated financial statements for the year ended 31st March, 2021

27 Deferred Tax Liabilities (net) (Contd.)

(₹ in Crores)

Particulars	Opening Balance as at 1st April, 2019	Recognised in profit and loss	Acquisitions of subsidiaries	Recognised in OCI	Closing Balance as at 31st March, 2020
Tax effect of items constituting deferred tax assets:					
Provision disallowed (Employee Benefits)	188.06	(181.06)	-	-	7.00
Interest on Lease Liabilities	-	0.02	-	-	0.02
Unabsorbed Depreciation	593.83	514.93	-	-	1,108.76
Allowance for Doubtful Debts, Deposits and Advances	8.59	(8.59)	-	-	-
Business Losses	7.41	13.51	-	-	20.92
Hedge Reserve	-	-	-	2.76	2.76
Others	-	(0.04)	-	-	-
Total	797.89	338.77	-	2.76	1,139.46
MAT credit entitlement	19.58	48.90	-	-	68.48
Net Deferred Tax Liabilities	(645.09)	(329.08)	-	2.76	(971.37)

Deferred taxes are not provided on the undistributed earnings of subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future.

In respect of above, Deferred tax liabilities have not been recognized on temporary differences amounting to ₹790.53 Crore and ₹365.88 Crore as at 31st March, 2021 and 31st March, 2020 respectively.

28 Current Financial Liabilities - Borrowings

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Secured Borrowings		
From Banks		
Cash Credit/ Working Capital Short term Loan	511.45	1,036.83
Bank Over Draft	352.39	-
Buyers credit	92.35	133.27
Total (a)	956.19	1,170.10
Unsecured Borrowings		
From Banks	659.51	54.67
From Related Parties	350.77	-
Other Short term loan payable on demand	-	11.04
Total (b)	1,010.28	65.71
Total (a+b)	1,966.47	1,235.81

(i) For Short Term Loan, Buyers Credit and Working capital loans - Refer note 22

(ii) The rate of interest for Secured / Unsecured loans (including Buyers Credit and Working capital loans) from banks ranges - Please Refer Note 22

Notes to Consolidated financial statements for the year ended 31st March, 2021

29 Trade Payables

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Trade Payables		
Micro and Small Enterprises	29.69	49.93
Other than Micro and Small Enterprises	1,211.32	1,701.58
Total	1,241.01	1,751.51

30 Current Financial Liabilities - Others

(₹ in Crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current maturities of long-term borrowings (Secured) (Refer note : 22)	1,185.70	720.27
Interest accrued but not due on borrowings	196.78	202.96
Payable on purchase of Property, Plant and Equipment	765.25	491.65
Derivative Instruments designated in hedge accounting relationship	163.82	24.37
Security Deposits from Consumers, Customers & Vendors	486.82	478.79
Lease Liability Obligations	45.07	35.97
Other Payables	6.53	18.96
Deferred Revenue - Service Line Contributions from Consumers	-	9.54
Total	2,849.97	1,982.51

31 Other Current Liabilities

(₹ in Crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Statutory liabilities	191.46	210.14
Advance from Customers	71.57	87.39
Other Payables	13.27	11.89
Deferred Revenue - Service Line Contributions from Consumers	9.54	-
Advance from Insurance Companies	5.45	-
Total	291.29	309.42

32 Current Tax Liabilities (Net)

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
Current Tax Liabilities (Net)	6.48	40.29
Total	6.48	40.29

Notes to Consolidated financial statements for the year ended 31st March, 2021

33 Revenue from Operations - From Generation, Transmission and Distribution Business

(₹ in Crores)

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
a) Income from sale of Power and Transmission Charges		
Income from sale of Power and Transmission Charges (net) (refer note 57)	8,823.91	10,016.78
Income under Service Concession Arrangements (SCA)	149.28	155.88
Total (a)	8,973.19	10,172.66
b) Other Operating Revenue		
Street Light Maintenance Charges	101.83	105.24
Cross subsidy Surcharge	52.40	160.23
Sale of Coal Rejects / Fly Ash	8.94	21.15
Amortisation of Service Line Contribution	9.22	8.49
Others	24.12	23.58
Total (b)	196.51	318.69
Total (a+b)	9,169.70	10,491.35

34 Revenue from Operations - From Trading Business

(₹ in Crores)

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Sale of Traded Goods	756.63	924.61
Total	756.63	924.61

35 Other Income

(₹ in Crores)

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest Income		
Bank	173.99	34.06
Others (Including Related Party ₹162.75 crores (previous year ₹6.55 Crores))	292.96	153.15
Gain on Sale/Fair Value of Current Investments measured at FVTPL	28.89	47.95
Gain on Sale/Fair Value of Current Investments measured at FVTPL-Contingency Reserve Fund	17.11	13.58
Sale of Scrap	11.16	0.14
Bad debt recovery	3.00	8.85
Unclaimed liabilities / Excess provision written back	2.11	0.26
Miscellaneous Income	3.38	7.34
Total	532.60	265.33

Notes to Consolidated financial statements for the year ended 31st March, 2021

36 Purchases of Stock - in - trade

(₹ in Crores)

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Purchases of Stock - in - trade	755.89	924.21
Total	755.89	924.21

37 Employee Benefits Expenses

(₹ in Crores)

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Salaries, Wages and Bonus	728.81	749.80
Contribution to provident fund and other funds	63.06	64.13
Contribution to Gratuity fund	47.55	44.08
Staff Welfare Expenses	91.34	115.23
Total	930.76	973.24

Note : Refer note no 5.2

38 Finance costs

(₹ in Crores)

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest on Loans & Debentures	1,083.45	1,773.94
Interest on Trade Credits	50.50	103.04
Interest on Intercorporate Deposit	-	12.24
Interest on Lease Obligation	12.07	11.97
Bank Charges & Other Borrowing Costs	15.42	75.38
Security Deposits From Consumer at amortised cost	-	42.42
Interest - Hedging Cost	746.94	276.47
Foreign Exchange Fluctuation Gain(net)-Borrowings*	208.61	(56.97)
Total	2,116.99	2,238.49

Note 1 : Including Mark to Market gain of ₹833.74 Crores (P.Y. ₹1,249.88 Crores) on Derivative Instruments designated in hedge accounting relationship

Note 2 : Refer note no 5.2

39 Other Expenses

(₹ in Crores)

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Stores and Spares	58.18	65.70
Transmission Charges	468.52	403.16
Repairs and Maintenance - Plant and Equipment	278.12	347.74
Repairs and Maintenance -Building	17.88	14.19
Repairs and Maintenance - Others	163.37	8.76

Notes to Consolidated financial statements for the year ended 31st March, 2021

39 Other Expenses (Contd.)

(₹ in Crores)

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Short Term Lease Rental(Refer note 43)	15.26	20.65
Rates and Taxes	21.17	10.80
Legal & Professional Expenses	152.62	164.92
Payment to Auditors (including component auditors)	2.57	2.50
Travelling & Conveyance Expenses	35.93	45.65
Insurance Expenses	28.36	22.82
Write downs in Inventory value	-	4.53
Provision for Stamp Duty Expense	-	22.60
Bad Debt Written Off	27.14	0.56
Foreign Exchange Fluctuation Loss	-	12.53
Corporate Social Responsibility expenses	25.99	18.14
Security Charges	35.44	35.30
Expected Credit Loss- Doubtful Debts,Advances, Deposits	-	43.62
Loss on sale of Property, Plant and Equipment	-	4.58
Miscellaneous Expenses	71.70	85.77
Total	1,402.25	1,334.52

40 Income Tax

(₹ in Crores)

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Current Tax :		
In respect of current year	233.01	213.72
In respect of Previous years	(46.00)	0.08
Deferred Tax	237.22	329.08
Total	424.23	542.88

Tax recognised in other comprehensive income

(₹ in Crores)

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Remeasurement of Defined Benefit Plans		
Total income tax recognised in other comprehensive income	(6.03)	3.61
Effective portion of gains and losses on designated portion of hedging instruments in a cash flow hedge		
Tax relating to items that will be reclassified to Profit or Loss	17.71	2.76
Total	11.68	6.37

Notes to Consolidated financial statements for the year ended 31st March, 2021

40 Income Tax (Contd.)

(₹ in Crores)

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Accounting profit before tax	1,619.90	1,106.68
Income tax expense at tax rates applicable to individual entities	**551.14**	**397.40**
Tax Effect of :		
Income and Expenses not allowed under Income Tax		
i) Depreciation allowable on assets (difference between Income tax act and Companies act)	-	115.50
ii) Differences in respect of Distribution on Perpetual Equity Instrument	58.28	26.41
iii) Current year Losses for which no Deferred Tax Asset is created	(64.16)	(166.73)
iv) Adjustments in respect of current income tax of previous year (due to transition to new tax regime)	(109.54)	-
v) Recognition of tax losses	-	5.28
vi) Effect of change in tax rate	14.41	-
vii) MAT Credit not recognised	221.06	165.28
viii) 80IA claims	(258.36)	(91.77)
ix) Deferred Tax Assets Written off	-	95.98
x) Others (Includes Tax at different rate)	11.40	(4.47)
Gross Tax	**424.23**	**542.88**
Tax provisions :		
Current Tax: In respect of current year	233.01	213.72
Current Tax: In respect of Earlier Period	(46.00)	0.08
Net (DTL) / DTA recognised during the year	168.74	376.06
MAT Credit entitlement	68.48	(46.98)
Income tax recognised in statement of profit and loss at effective rate	**424.23**	**542.88**

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

Accordingly where it has chosen to exercise new tax rate, certain Companies of the Group has:

a) Made the provision for current tax and deferred tax at the rate of 25.17%.

b) Written off unutilised credit for Minimum Alternate Tax aggregating to ₹68.48 Crores.

c) Net Reversal of current tax provision ₹56.30 Crores of earlier years due to adoption of new tax regime.

Notes to Consolidated financial statements for the year ended 31st March, 2021

40 Income Tax (Contd.)

Unrecognised deductible temporary differences, unused tax losses and unused tax credits

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following are Expiry of unrecognised deferred tax assets is as detailed below :

(₹ in Crores)

As at 31st March, 2021	Business Losses	Unabsorbed Depreciation	Mat Credit
Unrecognised deferred tax assets			
Within One Year	-	-	-
Greater than one year, less than five years	137.22	-	-
Greater than five years	865.37	-	989.03
No expiry date	-	116.48	-
Total	1,002.59	116.48	989.03

(₹ in Crores)

As at 31st March, 2020	Business Losses	Unabsorbed Depreciation	Mat Credit
Unrecognised deferred tax assets			
Within One Year	0.02	-	-
Greater than one year, less than five years	63.01	-	-
Greater than five years	704.86	-	875.47
No expiry date	-	112.88	-
Total	767.89	112.88	875.47

41 Earnings Per Share (EPS)

			For the year ended 31st March, 2021	For the year ended 31st March, 2020
A	After net Movement in Regulatory Deferral Balance			
	Profit after tax	(₹ in Crores)	1,224.04	706.49
	Less: Distribution on Unsecured perpetual Equity Instrument	(₹ in Crores)	(231.68)	(383.29)
	Net Profit attributable to Equity Shareholders including Regulatory income/(expense)	(₹ in Crores)	992.36	323.20
	Weighted average number of equity shares outstanding during the year	No	1,099,810,083	1,099,810,083
	Nominal Value of equity share	₹	10	10
	Basic / Diluted Earnings per Equity Share (Face Value of ₹10 each) after net Movement in Regulatory Deferral Balance	₹	9.02	2.94

Notes to Consolidated financial statements for the year ended 31st March, 2021

41 Earnings Per Share (EPS) (Contd.)

			For the year ended 31st March, 2021	For the year ended 31st March, 2020
B	Before net Movement in Regulatory Deferral Balance			
	Profit after tax	(₹ in Crores)	1,224.04	706.49
	Less: Distribution on Unsecured perpetual Equity Instrument	(₹ in Crores)	(231.68)	(383.29)
	Add/(Less): Regulatory Income / (expense) (net)	(₹ in Crores)	(360.26)	192.10
	Net Profit attributable to Equity Shareholders excluding Regulatory income/(expense)	(₹ in Crores)	**632.10**	**515.30**
	Weighted average number of equity shares outstanding during the year	No	1,09,98,10,083	1,09,98,10,083
	Nominal Value of equity share	₹	10	10
	Basic / Diluted Earnings per Equity Share (Face Value of ₹10 each) before net Movement in Regulatory Deferral Balance	₹	**5.75**	**4.69**

42 Contingent liabilities and Commitments

(₹ in Crores)

			As at 31st March, 2021	As at 31st March, 2020
(i)	Contingent liabilities :			
	(a)	Direct tax	0.92	1.06
	(b)	Vat and Entry tax	14.40	9.48
	(c)	Demand disputed by the Group relating to Service tax on street light Maintenance, wheeling charges and cross subsidy surcharges - (Refer note 1)	353.55	353.55
	(d)	Claims raised by the Government authorities towards unearned income arising on alleged transfer of certain land parcels.(Refer Note 1)	127.65	127.65
	(e)	Demand towards fixed charges payable in respect of power drawn from the state pool	-	99.68
	(f)	Claims raised by Vidarbha Industries Power Limited (VIPL) in respect of increase in fuel cost for the financial year ended 31st March, 2019 (Refer Note 1)	1,381.28	1,381.28
	(g)	Way Leave fees claims disputed by the Group relating to rates charged (Refer Note 1)	28.43	28.43
	(h)	Other claims against the Group not acknowledged as debts. (Refer Note 1)	36.02	36.02
	(i)	Claims pertaining to interest in respect of certain regulatory Liabilities -(Refer Note 1)	@@	-
	(j)	Liability in respect of disposal of bottom Ash	@@	@@
		Total	1,942.25	2,037.15

@@ Amount not determinable

Notes to Consolidated financial statements for the year ended 31st March, 2021

42 Contingent liabilities and Commitments (Contd.)

1 In terms of the Share Purchase Agreement entered into by the Group with RINFRA, in the event the above matters are decided against the AEML and are not recoverable from the consumers, the same would be recovered from RINFRA.

2 The above Contingent Liabilities to the extent pertaining to Regulated Business having cost plus model, which on unfavourable outcome are recoverable from consumers subject to MERC/CERC approval.

3 Amounts in respect of employee related claims/disputes, consumer related litigation, regulatory matters is not ascertainable.

4 Future cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.

5 Performance bank guarantee given by the Parent Company on behalf of Subsidiary companies, ₹361.79 Crores (Previous year ₹352.00 Crores) against which the subsidiary companies have taken counter guarantees from their respective EPC contractors.

The Group, in respect of the above mentioned Contingent Liabilities has assessed that it is only possible but not probable that outflow of economic resources will be required.

(₹ in Crores)

	As at 31st March, 2021	As at 31st March, 2020
(ii) Commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advance)	2,413.43	2,658.42
	2,413.43	2,658.42

(iii) Other Commitments:

In terms of the MERC RPO obligation regulations AEML is required to procure on an annual basis a certain quantum of power generated from renewable sources , as at 31st March, 2021 AEML has an cumulative outstanding commitment to procure renewable power of 4256 Mu's (31st March, 2020 - 3211 Mu's)

AEML to meet its past and future RPO commitment, has entered into through a competitive bid, a long term power purchase agreement with a related party to procure 700 MW of Wind Solar Hybrid Renewable Power at ₹3.24 per unit, supply of which would commence from financial year ended 31st March, 2022.

AEML in its MYT petition had requested MERC to allow it to carry forward its unmet RPO obligation to the next control period , so as to allow it to fulfil its past obligation from the above arrangement entered into. MERC has directed AEML to file a separate petition in respect of the same wherein appropriate view would be taken. The management is of the view that MERC would approve the above request and there would be no adverse financial implications of the non-compliance by AEML of its past RPO obligations.

Notes to Consolidated financial statements for the year ended 31st March, 2021

43 Leases

(i) Disclosure under Ind AS 116 Leases:

(a) The following is the movement in Lease liabilities during the year ended 31st March, 2021

(₹ in Crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening Balance	145.35	-
Lease Liabilities on account of adoption of Ind AS 116	-	103.49
Lease Liabilities on account of Leases entered / terminated during the year	11.75	65.55
Finance Costs incurred during the year	12.07	11.97
Net Payments of Lease Liabilities	(35.19)	(35.66)
Closing Balance (refer note 24 and 30)	**133.98**	**145.35**

(b) The Group's significant leasing arrangements, other than lease hold land, are in respect of office premises, residential premises, warehouses and cash collection centres, taken on lease. The arrangements range between 11 months to 5 years generally and are usually renewable by mutual consent on mutually agreeable terms. Under these arrangements, generally refundable interest free deposits have been given. The Group has not entered into any material financial lease.

(c) Leasing arrangements with respect to land range between 20 years to 99 years generally. The lease agreement is of fixed rate and non-cancellable. There is no contingent rent, no sub-leases and no restrictions imposed by the lease arrangements.

(d) The expense relating to payments not included in the measurement of the lease liability and recognised as expenses in the statemet of profit and loss during the year is as follows :

Low Value leases - Immaterial

Short-term leases - ₹ 15.26 Crores (31st March, 2020 ₹ 20.60 Crores)

(e) The Group had a 25 year long term Power Purchase Agreement (PPA) with Vidharbha Industries Power Limited (VIPL), wherein the Group has committed to purchase the entire output generated from VIPL's generating station located at Butibori. In terms of the PPA, the Group subject to a minimum guaranteed plant availability (determined on a yearly basis) is liable to pay subject to MERC approval a fixed monthly capacity charge and a variable charge towards the cost of fuel. VIPL was obligated to make the plant available for generation for a minimum period of time (determined on a yearly basis) and the option as regards the timing of availability was at the discretion of VIPL.

The Group on assessment of the above arrangement has concluded, that considering the Group does not have the right to direct the use of the asset , the above arrangement does not qualify to be lease under IND AS 116.

During the year the Group has terminated the above PPA due to non-performance of obligations under the PPA by VIPL, such termination has been upheld by MERC and VIPL has preferred to appeal against the MERC order to the Appellate Tribunal of Electricity ("ATE").

Notes to Consolidated financial statements for the year ended 31st March, 2021

44 Related Party Disclosure

Name of related parties & description of relationship

(A) Ultimate Controlling Entity	S. B. Adani Family Trust (SBAFT)
(B) Key Management Personnel:	Mr. Gautam S. Adani, Chairman
	Mr. Rajesh S. Adani, Director
	Mr. Anil Sardana, Managing Director and Chief Executive Officer
	Mr. Kaushal Shah, Chief Financial Officer (Upto 2nd February, 2021)
	Mr. Jaladhi Shukla, Company Secretary
	Mr. K. Jairaj - Non Executive Director
	Dr. Ravindra H. Dholakia - Non Executive Director
	Ms. Meera Shankar - Non Executive Director
(C) Enterprises over which (A) or (B) above have significant influence of Ultimate Controlling Entity. :	Adani Infra (India) Limited
	Adani Power (Mundra) Limited
	Adani Power Maharashtra Limited
	Adani Enterprises Limited
	Adani Power Limited
	Adani Ports and Special Economic Zone Limited
	Mundra Solar PV Limited
	Karnavati Aviation Private Limited
	Adani Foundation
	Belvedere Golf and Country Club Private Limited
	Adani Township & Real Estate Company Private Limited
	Adani Transport Limited
	Adani Institute for Education and Research
	Adani Infrastructure Management Services Limited
	Adani Properties Private Limited
	Adani Capital Private Limited
	Adani Housing Finance Private Limited
	Sunbourne Developers Private Limited
	Adani Power Rajasthan Limited
	Udupi Power Corporation Limited
	Adani Green Energy Limited
	Adani Water Limited
	Adani Total Gas Limited
	Adani Power (Jharkhand) Limited
	Adani Wind Energy Kutchh One Limited (Formerly known as Adani Green Energy (MP) Limited)
	Raipur Energen Limited
	Adani Green Energy (Tamil Nadu) Limited
	Kamuthi Solar Power Limited
	AEML Gratuity Fund
	AEML Superannuation Fund

Enterprises having significant influence of Ultimate Controlling Entity, the names and the nature of relationships is disclosed only when the transactions are entered into by the Company with the related parties during the existence of the related party relationship.

Notes to Consolidated financial statements for the year ended 31st March, 2021

44 Related Party Disclosure (Contd.)

(₹ in Crores)

Nature of Transactions	With Significant Influence of Ultimate Controlling Entity		With Key Managerial Personnel	
For the Year Ended	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Interest Expenses	6.03	12.24	-	-
Interest Income	162.75	6.55	-	-
Distribution on Perpetual Equity Instrument (Refer Note: 1)	231.67	383.29	-	-
Purchase of Goods	11.40	1.10	-	-
Purchase of Inventory	0.61	3.98	-	-
Purchase of Power	360.70	1,035.91	-	-
Purchase of Property, Plant and Equipment	0.47	0.48	-	-
Sale of Inventory	0.82	-	-	-
Corporate allocation and Reimbursement of expenses	32.09	131.85	-	-
Rent Expense	3.03	2.60	-	-
Loan Taken	785.34	745.00	-	-
Loan given	1,467.51	1,843.57	-	-
Loan Repaid	434.58	780.79	-	-
Loan Received back	2,047.51	223.57	-	-
Sale of Goods, Store and spares	0.42	75.67	-	-
Services Availed	80.50	-	-	-
Services Income	0.01	-	-	-
CSR Expenditure	11.54	10.67	-	-
Staff Welfare Expenses	-	0.04	-	-
Advance paid towards Purchase of property	-	271.00	-	-
Advance paid towards Purchase of Power	700.00	200.00	-	-
Advance paid towards Purchase of Power - Received back	250.00	-		
Earnest Money Deposit (EMD) received	6.84	0.99	-	-
Earnest Money Deposit (EMD) given back	6.64	-	-	-
Contribution to Employee Benefits	8.87	-	-	-
Director Sitting Fees	-	-	0.19	0.22
Compensation of Key Management Personnel (Refer Note 3)				
a) Short-term benefits	-	-	14.32	8.84
b) Post-employment benefits	-	-	0.31	0.40
Unsecured Perpetual Equity Instrument repaid	680.00	1,209.62	-	-
Unsecured perpetual Equity Instrument issued (Refer Note: 2)	-	1,081.01	-	-
O&M Agreement Charge	52.82	51.17	-	-

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

Notes :

1 Accrued on Perpetual Equity, infused by Entity under common control

2 Long term Financial support by way of perpetual equity instruments from Entity under common control

3 Include Performance Incentive for FY 2019-2020 and 2020-2021.

Notes to Consolidated financial statements for the year ended 31st March, 2021

44 Related Party Disclosure (Contd.)

(₹ in Crores)

Closing Balance	With Significant Influence of Ultimate Controlling Entity		With Key Managerial Personnel	
As at	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Balance Payable	32.63	15.28	-	-
Balance Receivable	550.52	437.51	-	-
Loan Payable	350.77	-	-	-
Interest accrued but not due	5.04	-	-	-
Interest receivable	-	3.00	-	-
Advance for Capex	112.80	124.70	-	-
Loans Receivable	1,040.00	1,620.00	-	-
Land Advance	0.00	-	-	-
Unsecured Perpetual Equity Instrument (includes accrued distribution)	2,829.70	3,279.42	-	-

45 Fair Value Measurement :

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

(₹ in Crores)

Particulars	Fair Value through Other Comprehensive Income	Fair Value through Profit or Loss	Amortised Cost	Total Carrying Value in Books	Fair Value
Financial Assets					
Investments in Mutual Funds	-	174.79	-	174.79	174.79
Investments in Government securities	-	-	267.24	267.24	259.90
Trade Receivables	-	-	1,013.54	1,013.54	1,013.54
Cash and Cash Equivalents	-	-	263.68	263.68	263.68
Bank Balances other than Cash and Cash Equivalents above	-	-	1,026.23	1,026.23	1,026.23
Loans	-	-	1,098.25	1,098.25	1,098.25
Derivative instruments designated in hedge accounting relationship	-	242.61	-	242.61	242.61
Other Financial Assets	-	-	4,062.61	4,062.61	4,062.61
Total	-	417.40	7,731.55	8,148.95	8,141.61
Financial Liabilities					
Borrowings (Including current maturities and Interest Accrued)	-	-	27,157.76	27,157.76	27,570.57
Derivative instruments designated in hedge accounting relationship	(192.32)	501.48	-	309.16	309.16
Other Financial Liabilities	-	-	1,785.92	1,785.92	1,785.92
Trade Payables	-	-	1,272.94	1,272.94	1,272.94
Total	(192.32)	501.48	30,216.62	30,525.78	30,938.59

Notes to Consolidated financial statements for the year ended 31st March, 2021

45 Fair Value Measurement : (Contd.)

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

(₹ in Crores)

Particulars	Fair Value through Other Comprehensive Income	Fair Value through Profit or Loss	Amortised Cost	Total Carrying Value in Books	Fair Value
Financial Assets					
Investments in Mutual Funds	-	312.67	-	312.67	312.67
Trade Receivables	-	-	1,000.26	1,000.26	1,000.26
Cash and Cash Equivalents	-	-	1,232.99	1,232.99	1,232.99
Bank Balances other than Cash and Cash Equivalents above	-	-	1,063.85	1,063.85	1,063.85
Loans	-	-	2,448.19	2,448.19	2,448.19
Derivative instruments designated in hedge accounting relationship	(40.81)	1,338.35	-	1,297.54	1,297.54
Other Financial Assets	-	-	2,548.18	2,548.18	2,548.18
Total	(40.81)	1,651.02	8,293.47	9,903.68	9,903.68
Financial Liabilities					
Borrowings (Including current maturities and Interest Accrued)	-	-	24,448.69	24,448.69	22,458.17
Derivative instruments designated in hedge accounting relationship	106.54	-	-	106.54	106.54
Other Financial Liabilities	-	-	1,372.60	1,372.60	1,372.60
Trade Payables	-	-	1,780.86	1,780.86	1,780.86
Total	106.54	-	27,602.15	27,708.69	25,718.17

The management assessed that the fair value of cash and cash equivalents, other balance with banks, trade receivables, loans, trade payables, other financial assets and liability approximate their carrying amount largely due to the short term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values.

Fair value of mutual funds are based on the price quotations near the reporting date.

The fair value of Government Securities have been determined based on the prevailing market rate as on the reporting date

The fair value of loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flow using rates currently available for debt on similar terms, credit risk and remaining maturities.

The Group enters into derivative financial instruments with various counterparties, principally banks and financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying currency. All derivative contracts are fully collateralized, thereby, eliminating both counterparty and the Group's own non-performance risk.

Notes to Consolidated financial statements for the year ended 31st March, 2021

46 Fair Value hierarchy

(₹ in Crores)

Particulars	31st March, 2021	31st March, 2021	31st March, 2020	31st March, 2020
	Level 1	Level 2	Level 1	Level 2
Assets measured at fair value				
Investments in unquoted Mutual Funds measured at FVTPL	-	174.79	-	312.67
Asset for which Fair Value are disclosed				
- Government Securities	259.90	-	-	-
Derivative Instruments designated in hedge accounting relationship				
Derivative Instruments	-	242.61	-	1,297.54
Total	259.90	417.40	-	1,610.21
Derivative Instruments designated in hedge accounting relationship				
Derivative Instruments	-	309.16	-	106.54
Liabilities for which fair values are disclosed				
Borrowings (Including current maturities and Interest Accrued)	14,873.73	12,696.84	13,102.53	9,355.64
Total	14,873.73	13,006.00	13,102.53	9,462.18

The fair value of Government Securities have been determined based on the prevailing market rate as on the reporting date

The fair value of Derivative instruments is derived using valuation techniques which include forward pricing and swap models using present value calculations.

The Borrowing includes USD bonds which are listed in Singapore Stock Exchange. The fair value of Bonds have been determined based on the prevailing market rate as on the reporting date. The fair value of rest of the borrowings is equivalent to carrying value.

47 Capital Management

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

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

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

No changes were made in the objectives, policies or processes for managing capital during the years ended as at 31st March, 2021 and as at 31st March, 2020.

Notes to Consolidated financial statements for the year ended 31st March, 2021

47 Capital Management (Contd.)

(₹ in Crores)

Particulars	Refer Note	As at 31st March, 2021	As at 31st March, 2020
Total Borrowings (Including Current Maturities of Long Term Debt)	22,28 & 30	26,960.98	24,245.73
Less: Cash and bank balances	14 & 15	1,289.91	2,296.84
Less: Current Investments	12	174.79	312.67
Net Debt(A)		**25,496.28**	**21,636.22**
Equity Share Capital & Other Equity	19 & 21	6,089.58	5,219.54
Unsecured Perpetual Equity Instrument	20	2,829.70	3,279.42
Total Equity (B)		**8,919.28**	**8,498.96**
Total Equity and Net Debt (C=A+B)		**34,415.57**	**30,135.18**
Gearing Ratio : (A)/(C)		**0.74**	**0.72**

48 Financial Risk Management Objectives

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

In the ordinary course of business, the Group is mainly exposed to risks resulting from exchange rate fluctuation (currency risk), interest rate movements (interest rate risk) collectively referred as Market Risk, Credit Risk, Liquidity Risk and other price risks such as equity price risk. The Group's senior management oversees the management of these risks. It manages its exposure to these risks through derivative financial instruments by hedging transactions. It uses derivative instruments such as Principal only Swaps, Interest rate swaps, foreign currency future options and foreign currency forward contract to manage these risks. These derivative instruments reduce the impact of both favourable and unfavourable fluctuations. The Group's risk management activities are subject to the management, direction and control of Central Treasury Team of the Group under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board of Directors of the Group. The Group's central treasury team ensures appropriate financial risk governance framework for the Group through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

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

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

Market risk

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

Interest rate risk

The Group is exposed to changes in market interest rates due to financing, investing and cash management activities. The Group's exposure to the risk of changes in market interest rates relates primarily to The Group's long-term debt obligations with floating interest rates and period of borrowings. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group enters into interest rate swap contracts or interest rate future contracts to manage its exposure to changes in the underlying benchmark interest rates.

Notes to Consolidated financial statements for the year ended 31st March, 2021

48 Financial Risk Management Objectives (Contd.)

Interest rate sensitivity

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

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Group's profit for the year ended 31st March, 2021 would decrease / increase by ₹27.26 Crores (previous year ₹17.39 crores). This is mainly attributable to interest rates on variable rate borrowings.

The year end balances are not necessarily representative of the average debt outstanding during the year

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities. The Group manages its foreign currency risk by hedging transactions that are expected to realise in future.

a) The Group has taken various derivatives to hedge its foreign exposure. The outstanding position of exposure against variation in interest rates and foreign exchange rate are as under:

Nature	Purpose	As at 31st March, 2021		As at 31st March, 2020	
		₹ in Crores	Foreign Currency (in Million)	₹ in Crores	Foreign Currency (in Million)
(i) Principal only swaps	Hedging of foreign currency borrowings principal liability 1. Bond 861.25 Million USD, USPP 388.20 Million USD (P.Y. Bond 870 Million USD, USPP 310 Million USD) 2.Term Loan from bank Nil (P.Y. 24.18 Million EUR)	9,134.73	USD 1,249.45	9,128.57	EUR 24.18 USD 1,180
(ii) Forward covers	1a.Hedging of foreign currency borrowing principal:- Bond 421.25 Million USD, USPP Nil (P.Y. Bond 430 Million USD, USPP 90 Million USD) 1b.Hedging of foreign currency interest liability	3,520.03	USD 481.47	4,476.90	USD 591.67
	2.Hedging of LC, Acceptances, Creditors and firm commitments	92.35	USD 12.63	-	-
(iii) Cross Currency Swaps	Hedging of foreign currency borrowing principal & interest liability 1. Bond 400 Million USD, Term Loan 175 Million USD, ECB 11.35 EUR (P.Y. Bond 400 Million USD, Term Loan 70 Million USD)	4,301.18	USD 575 EUR 11.35	3,556.26	USD 470
(iv) Options	Hedging of foreign currency borrowing principal & interest liability 1. Bond 300 Million USD, Share holder affiliated debt 282 Million USD (P.Y. Bond 300 Million USD, Share holder affiliated debt 282 Million)	4,255.00	USD 582	4,403.70	USD 582
(v) Coupon only Swaps	Hedging of foreign currency borrowing interest liability	4,386.60	USD 600	3,783.25	USD 500

Notes to Consolidated financial statements for the year ended 31st March, 2021

48 Financial Risk Management Objectives (Contd.)

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

Purpose	As at 31st March, 2021		As at 31st March, 2020	
	₹ in Crores	Foreign Currency (in Million)	₹ in Crores	Foreign Currency (in Million)
(i) Interest accrued but not due	94.75	USD 12.96	23.85	USD 3.15
(ii) Import Creditors and Acceptances	10.40	USD 1.42	335.83	USD 44.38
	0.01	EUR 0.00*	0.03	EUR 0.00*

** EUR 858 (EUR 3115)*

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

(₹ in Crores)

Particulars	For the Year 2020-21		For the Year 2019-20	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Foreign Currency Sensitivity				
RUPEES / USD - (Increase) / Decrease	(0.62)	0.62	(3.60)	3.60
RUPEES / EUR - (Increase) / Decrease	0.00	(0.00)	0.00	(0.00)

Credit Risk

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

The carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk. Since the Group is an ISTS licensees, the responsibility for billing and collection on behalf of the Group lies with the CTU/STU. Based on the fact that the collection by CTU/ STU is from Designated ISTS Customers (DICs) which in majority of the cases are state government organisations and further based on an analysis of the past trends of recovery, the management is of the view that the entire receivables are fully recoverable. Accordingly, the Group does not recognize any impairment loss on its receivables.

Liquidity risk

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

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

(₹ in Crores)

As at 31st March, 2021	Less than 1 year	1-5 years	Over 5 years	Total
Borrowings (Including current maturities)#	4,637.51	7,927.13	26,166.30	38,730.94
Trade Payables	1,241.01	-	31.93	1,272.94
Derivative Liabilities	163.82	145.34	-	309.16
Other financial Liabilities	1,500.45	455.10	27.15	1,982.70

Notes to Consolidated financial statements for the year ended 31st March, 2021

48 Financial Risk Management Objectives (Contd.)

(₹ in Crores)

As at 31st March, 2020	Less than 1 year	1-5 years	Over 5 years	Total
Borrowings (Including current maturities)#	3,198.06	7,237.09	25,863.24	36,298.39
Trade Payables	1,751.51	-	29.35	1,780.86
Derivative Liabilities	24.37	82.17	-	106.54
Other financial Liabilities	1,307.58	236.99	30.99	1,575.56

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

Derivative Financial Instrument

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

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

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

The Group enters into derivative financial instruments, such as forward currency contracts, cross currency swaps, options, interest rate futures and interest rate swaps for hedging the liabilities incurred/ recorded and accounts for them as cash flow hedges and states them at fair value. The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss. Amounts recognised in OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. These hedges have been effective for the year ended 31st March, 2021.

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

(₹ in Crores)

Derivative Financials Instruments	As at 31st March, 2021		As at 31st March, 2020	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedge				
- Call Options	137.21	87.50	394.48	106.54
- Cross Currency Swaps	30.36	5.91	229.32	-
- Coupon Only Swaps	(3.81)	-	38.00	-
- Forward	0.08	85.92	150.35	-
- Principal Only Swaps	78.77	129.83	485.39	-
Total	242.61	309.16	1,297.54	106.54

Notes to Consolidated financial statements for the year ended 31st March, 2021

49 Segment information:-Operating Segments

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

i) Transmission
ii) Trading
iii) Mumbai GTD Business

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

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

Information regarding the company's reportable segments is presented below:

(₹ in Crores)

Particulars	Transmission	Trading	Mumbai GTD Business	Elimination	Total
1 Revenue					
External Sales	3,122.06	756.63	6,047.64	-	9,926.33
	2,815.00	*924.61*	*7,676.35*	-	*11,415.96*
Total Revenue	3,122.06	756.63	6,047.64	-	9,926.33
	2,815.00	*924.61*	*7,676.35*	-	*11,415.96*
2 Results					
Segment Results	2,191.80	0.74	1,011.75	-	3,204.29
	1,873.21	*0.40*	*1,206.23*	-	*3,079.84*
Unallocated Corporate Income (Net)					532.60
					265.33
Operating Profit					3,736.89
					3,345.17
Less: Finance Expense					2,116.99
					2,238.49
Profit before tax					1,619.90
					1,106.68
Current Taxes					187.01
					213.80
Deferred Tax					143.32
					186.39
Total Tax					330.33
					400.19
Profit after tax					1,289.57
					706.49
Less: Non-Controlling Interests					(65.33)
					35.33
Net profit					1,224.04
					741.82

Notes to Consolidated financial statements for the year ended 31st March, 2021

49 Segment information:-Operating Segments (Contd.)

(₹ in Crores)

Particulars	Transmission	Trading	Mumbai GTD Business	Elimination	Total
3 Other Information					
Segment Assets	20,595.65	-	17,206.59	-	37,802.24
	15,576.68	*134.72*	*16,628.19*	-	*32,339.59*
Unallocated Corporate Assets					5,431.34
					7,371.60
Total Assets					43,233.58
					39,711.19
Segment Liabilities	1,141.40	-	3,409.57	-	4,550.97
	693.67	*134.48*	*3,755.06*	-	*4,583.21*
Unallocated Corporate Liabilities					28,659.76
					25,566.89
Total liabilities					33,210.73
					30,150.10
Depreciation /Amortisation	684.32	-	644.56	-	1,328.88
	663.56	-	*510.46*	-	*1,174.02*
Non Cash Expenditure other then Depreciation/ Amortisation	4.62	-	22.52	-	27.14
	(5.38)	-	*(32.48)*	-	*(37.86)*
Capital Expenditure	2,760.50	-	1,191.82	-	3,952.32
	1,468.90	-	*1,293.77*	-	*2,762.67*

Previous figures are given in italics

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

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

50 The Consolidated financial statements for the year ended 31st March, 2021 are not comparable with the previous year, due to following:

Date of acquisition of Investment in Subsidiaries

Sr. No.	Name of the Entity	For the Year ended 31st March, 2021	For the year ended 31st March, 2020
1	Bikaner-Khetri Transmission Limited		19th September, 2019
2	WRSS XXI (A) Transco Limited		14th October, 2019
3	Lakadia Banaskantha Transco Limited		13th November, 2019
4	Jam Khambaliya Transco Limited		13th November, 2019
5	Kharghar Vikhroli Transmission Private Limited	25th June, 2020	
6	Alipurduar Transmission Limited	26th November, 2020	
7	Warora Kurnool Transmission Limited	31st March, 2021	

51 Group has entered into transmission agreements in the nature of Service Concession Arrangements (SCA) with Rajasthan Rajya Vidyut Prasaran Nigam Limited (RVPNL) and with Power Grid Corporation of India Limited (PGCIL).

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

Notes to Consolidated financial statements for the year ended 31st March, 2021

(i) A 400 KV Double Circuit transmission line from Suratgarh to Bikaner with a design capacity to transfer electricity equivalent to 1066 MW on Design, Built, Finance, Operate & Transfer (DBFOT) basis having contract for 35 years from the licence issued. (ii) A 400 KV Double Circuit transmission Line in Bikaner, Sikar with a design capacity to transfer electricity equivalent to 2400 MW on Design, Built, Finance, Operate & Transfer (DBFOT) basis having contract for 25 years from the licence issued.

(b) The agreements with PGCIL (Grantor) is to construct & operate an transmission system comprising a 400 KV Double Circuit transmission line in Pune, Aurangabad, Solapur, Kolhapur, Parli, Karad, Lonikhand, Kalwa, Limbdi, Vadavi, Kansari, Rajgarh and Karamsad with a design capacity to transfer electricity equivalent to 3600 MW on Design, Built, Finance, Operate & Transfer (DBFOT) basis having contract for 25 years. The service concession arrangement provides an option for extension of the concession period. Upon completion of concession period or on termination of agreement, Transmission Lines will vest with the grantor free and clear of all encumbrances. Financial assets is created on the basis of Present values of future Cash Flows. No intangible assets is created for this SCA accounting.

Financial summary of above concession arrangement are given below:

(₹ in Crores)

Sr. No.	Particulars	Transmission Lines	
		FY 2020-21	FY 2019-20
1	SCA Revenue Recognised	150.71	154.12
2	Profit for the year	53.96	40.18

52 Additional information of net assets and share in profit or loss contributed by various entities as recognised under Schedule III of the Companies Act, 2013

Sr. No.	Name of the Entity	As % of Consolidated Net Assets as on 31st March 2021	₹ in Crores	As % of Consolidated Profit or Loss for the year ended 31st March 2021	₹ in Crores	As % of Consolidated Other Comprehensive Income for the year ended 31st March 2021	₹ in Crores	As % of Consolidated Total Comprehensive Income for the year ended 31st March 2021	₹ in Crores
1	Adani Transmission Limited	27.02%	4,086.61	-1.61%	(21.21)	14.50%	(21.23)	-3.61%	(42.44)
	Subsidiaries (Indian)								
2	Maharashtra Eastern Grid Power Transmission Company Limited	16.52%	2,497.89	39.67%	524.08	-0.62%	0.91	44.69%	524.99
3	Adani Transmission (India) Limited	14.75%	2,230.58	22.39%	295.85	-0.04%	0.06	25.19%	295.91
4	Sipat Transmission Limited	0.52%	79.40	2.13%	28.14	6.66%	(9.75)	1.57%	18.39
5	Raipur-Rajnandgaon-Warora Transmission Limited	1.17%	176.52	4.56%	60.30	15.07%	(22.06)	3.26%	38.24
6	Chhattisgarh-WR Transmission Limited	0.83%	125.01	3.15%	41.56	10.91%	(15.97)	2.18%	25.59
7	Adani Transmission (Rajasthan) Limited	0.13%	19.07	0.50%	6.55	-	(0.00)	0.56%	6.55
8	North Karanpura Transco Limited	0.19%	28.86	0.00%	(0.00)	-0.02%	0.03	0.00%	0.02
9	Maru Transmission Service Company Limited	0.14%	21.46	0.04%	0.55	-0.36%	0.53	0.09%	1.08
10	Aravali Transmission Service Company Limited	-0.01%	(1.52)	0.07%	0.89	-0.39%	0.57	0.12%	1.46
11	Western Transco Power Limited	1.11%	167.75	1.27%	16.84	0.01%	(0.01)	1.43%	16.83
12	Western Transmission (Gujarat) Limited	0.78%	118.45	0.96%	12.65	-0.01%	0.01	1.08%	12.66
13	Hadoti Power Transmission Service limited	0.36%	53.80	1.48%	19.53	1.85%	(2.70)	1.43%	16.83
14	Barmer Power Transmission Service limited	0.30%	45.26	1.09%	14.44	1.29%	(1.89)	1.07%	12.55

Notes to Consolidated financial statements for the year ended 31st March, 2021

Sr. No.	Name of the Entity	As % of Consolidated Net Assets as on 31st March 2021	₹ in Crores	As % of Consolidated Profit or Loss for the year ended 31st March 2021	₹ in Crores	As % of Consolidated Other Comprehensive Income for the year ended 31st March 2021	₹ in Crores	As % of Consolidated Total Comprehensive Income for the year ended 31st March 2021	₹ in Crores
15	Thar Power Transmission Service limited	0.25%	37.89	1.00%	13.19	1.20%	(1.76)	0.97%	11.43
16	Fatehgarh-Bhadla Transmission Limited	0.17%	25.20	0.00%	(0.02)	-0.01%	0.01	0.00%	(0.01)
17	Ghatampur Transmission Limited	1.04%	157.33	0.37%	4.88	-0.02%	0.02	0.42%	4.90
18	Adani Transmission Bikaner Sikar Private Limited (Formerly Known as KEC Bikaner Sikar Transmission Private Limited)	0.34%	51.58	0.54%	7.10	-	-	0.60%	7.10
19	OBRA-C Badaun Transmission Limited	0.37%	55.34	-0.01%	(0.08)	-0.01%	0.02	-0.01%	(0.06)
20	Adani Electricity Mumbai Limited	31.14%	4,710.35	19.62%	259.17	49.95%	(73.13)	15.83%	186.02
21	AEML Infrastructure Limited	0.00%	(0.01)	0.00%	(0.01)	-	-	0.00%	(0.01)
22	Bikaner-Khetri Transmission Limited	0.66%	99.65	0.00%	0.03	0.00%	(0.00)	0.00%	0.03
23	WRSS XXI (A) Transco Limited	0.00%	(0.63)	0.00%	(0.05)	0.02%	(0.02)	-0.01%	(0.07)
24	Lakadia Banaskantha Transco Limited	-0.01%	(1.01)	0.00%	(0.02)	0.00%	0.00	0.00%	(0.02)
25	Jam Khambaliya Transco Limited	0.13%	20.11	0.00%	(0.03)	-0.01%	0.01	0.00%	(0.02)
26	Arasan Infra Private Limited	0.00%	(0.28)	-0.01%	(0.17)	-	-	-0.01%	(0.17)
27	Sunrays Infra Space Private Limited	0.00%	(0.38)	-0.03%	(0.40)	-	-	-0.03%	(0.40)
28	Power Distribution Services Limited (Formerly known as 'Adani Electricity Mumbai Services Limited')	0.01%	1.89	0.14%	1.89	-	-	0.16%	1.89
29	Adani Electricity Mumbai Infra Limited	0.00%	0.01	0.00%	-	-	-	-	-
30	Alipurduar Transmission Limited	1.42%	215.88	2.68%	35.59	-0.01%	0.01	3.03%	35.60
31	Kharghar Vikhroli Transmission Private Limited	-0.01%	(0.77)	0.00%	(0.01)	0.00	(0.02)	0.00%	(0.03)
32	Warora Kurnool Transmission Limited	0.68%	103.43	0.00%	-	-	-	0.00%	-
33	AEML Seepz Limited	0.00%	-	0.00%	-	-	-	0.00%	-
34	Adani Transmission Step One Limited	0.00%	-	0.00%	-	-	-	0.00%	-
	Total	**100%**	**15,124.72**	**100%**	**1,321.23**	**100%**	**(146.40)**	**100%**	**1,174.83**
	Less: Adjustment of Consolidation		**6,205.44**		**31.66**		**-**		**31.66**
	Add: Non Controlling Interest		**1,103.58**		**65.53**		**(18.37)**		**47.16**
	Consolidated Net Assets/ Profit after tax		**10,022.86**		**1,224.04**		**(128.03)**		**1,096.01**

Notes to Consolidated financial statements for the year ended 31st March, 2021

53 As per Ind AS 19 "Employee Benefits", the disclosures are given below.

(a) Defined Contribution Plan

(i) Provident fund

(ii) Superannuation fund

(iii) State defined contribution plans

- Employer's contribution to Employees' state insurance
- Employers' Contribution to Employees' Pension Scheme 1995

The Group has recognised the following amounts as expense in the financial statements for the year:

(₹ in Crores)

Particulars	For the Year ended 31st March, 2021	For the year ended 31st March, 2020
Contribution to Provident Fund	41.35	42.17
Contribution to Employees Superannuation Fund	7.98	8.46
Contribution to Employees Pension Scheme	6.90	7.17
Total	56.23	57.80

(b) Defined Benefit Plan

The Group has a defined benefit gratuity plan (funded) and is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed at least five year of service is entitled to gratuity benefits on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India (LIC) in form of a qualifying insurance policy with effect from 01st September, 2010 for future payment of gratuity to the employees.

Each year, the management reviews the level of funding in the gratuity fund. Such review includes the asset – liability matching strategy. The management decides its contribution based on the results of this review. The management aims to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

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

The status of gratuity plan as required under Ind AS-19:

(₹ in Crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
i. Reconciliation of Opening and Closing Balances of defined benefit obligation		
Present Value of Defined Benefit Obligations at the beginning of the Year	654.50	603.97
Current Service Cost	36.85	33.30
Interest Cost	44.71	45.56
Re-measurement (or Actuarial) (gain) / loss arising from:		
- Change in demographic assumptions	6.91	0.14
- Change in financials assumptions	(1.18)	38.69
- Experience variance (i.e. Actual experience vs assumptions)	(41.08)	(17.68)
Acquisition Adjustment/Other adjustment	0.25	-
Benefits paid	(37.34)	(50.07)

Notes to Consolidated financial statements for the year ended 31st March, 2021

53 As per Ind AS 19 "Employee Benefits", the disclosures are given below. (Contd.)

(₹ in Crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Net Actuarial loss / (gain) Recognised	-	-
Liabilities Transfer In/Out	4.29	0.59
Present Value of Defined Benefit Obligations at the end of the Year	**667.91**	**654.50**
ii. Reconciliation of Opening and Closing Balances of the Fair value of Plan assets		
Fair Value of Plan assets at the beginning of the Year	491.10	457.39
Investment Income	33.59	34.49
Contributions	0.95	0.15
Benefits paid	(37.34)	(0.99)
Return on plan assets, excluding amount recognised in net interest expenses	(1.11)	0.06
Planned Asset Acquired on Business Acquisition	-	-
Fair Value of Plan assets at the end of the Year	**487.19**	**491.10**
iii. Reconciliation of the Present value of defined benefit obligation and Fair value of plan assets		
Present Value of Defined Benefit Obligations at the end of the Year	667.91	654.50
Fair Value of Plan assets at the end of the Year	(487.19)	(491.10)
Net Asset / (Liability) recognized in balance sheet as at the end of the year	**(180.72)**	**(163.40)**
iv. Composition of Plan Assets		
100% of Plan Assets are administered by LIC	-	-
v. Gratuity Cost for the Year		
Current service cost	36.85	33.30
Interest cost	44.71	45.56
Expected return on plan assets	(33.59)	(34.49)
Actuarial Gain / (Loss)	-	-
Net Gratuity cost recognised in the statement of Profit and Loss	**47.97**	**44.37**
vi. Other Comprehensive Income		
Actuarial (gains) / losses		
Change in demographic assumptions	6.91	0.14
Change in financial assumptions	(1.18)	38.69
Experience variance (i.e. Actual experiences assumptions)	(41.08)	(17.68)
Return on plan assets, excluding amount recognised in net interest expense	1.11	(0.06)
Components of defined benefit costs recognised in other comprehensive income	**(34.24)**	**21.10**
vii. Actuarial Assumptions		
Discount Rate (per annum)	6.7% to 6.84%	6.7% to 6.84%
Annual Increase in Salary Cost (per annum)	8.00% to 9.75%	8.00% to 9.75%

Notes to Consolidated financial statements for the year ended 31st March, 2021

53 As per Ind AS 19 "Employee Benefits", the disclosures are given below. (Contd.)

xi. Asset – Liability Matching Strategies

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk.

However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

(c) Sensitivity analysis

The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

	Change in assumption			Increase in assumption			Decrease in assumption	
	31st March, 2021	31st March, 2020		31st March, 2021	31st March, 2020		31st March, 2021	31st March, 2020
Discount rate	1.00%	1.00%	Decrease by	73.20	71.79	Increase by	63.16	62.03
Salary Growth Rate	1.00%	1.00%	Increase by	70.00	60.59	Decrease by	61.52	68.81
Attrition Rate	0.50%	0.50%	Decrease by	14.21	21.68	Increase by	20.04	20.04
Mortality Rate	10.00%	10.00%	Increase by	9.08	9.53	Decrease by	9.09	9.52

54 The Group has adopted Ind AS 115 using the cumulative effect method (without practical expedients) with the effect of initially applying this standard recognised at the date of initial application i.e. 1st April, 2018. Accordingly, the comparative information i.e. information for the year ended 31st March 2018, has not been restated. The adoption of the standard did not have any material impact on the financial statements of the Group. Additionally, the disclosure requirements in Ind AS 115 have not generally been applied to comparative information.

Contract balances:

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

(₹ in Crores)

Particulars	As at 31st March, 2021	As at 1st April, 2020
Trade receivables (Gross) (Refer note 13)	1,024.54	1077.72
(Less): Allowance for Doubtful Debts (Refer note 13)	(11.00)	(77.46)
Trade receivables (Net) (Refer note 13)	1,013.54	1,000.26
Contract assets (Refer note 17)	1,266.29	1,105.97
Contract liabilities	-	-

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

Notes to Consolidated financial statements for the year ended 31st March, 2021

(b) Significant changes in contract assets and liabilities during the year:

(₹ in Crores)

		For the Year ended 31st March, 2021	For the year ended 31st March, 2020
Opening Balance			
Recoverable from consumers		-	4.78
Liabilities towards consumers		28.50	-
	(A)	28.50	4.78
Income to be adjusted in future tariff determination in respect of earlier year (of which ₹2.26 crores recoverable from others as on 31st March, 2020)		(9.55)	(10.22)
Income to be adjusted in future tariff determination (Net)		(12.42)	(23.06)
Closing Balance	(B)	(21.97)	(33.28)
Recoverable from consumers		-	-
Liabilities towards consumers		6.53	-
Contract assets reclassified to receivables	(A+B)	6.53	(28.50)

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

(₹ in Crores)

Particulars		For the Year ended 31st March, 2021	For the year ended 31st March, 2020
Revenue as per contracted price		9,112.33	10,328.99
Adjustments			
Discounts		37.32	51.10
Revenue from contract with customers		9,075.02	10,277.90

55 Regulatory Deferral Account

(₹ in Crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Regulatory Deferral Account - Liability		
Regulatory Liabilities	271.56	504.33
Regulatory Deferral Account - Assets		
Regulatory Assets	439.45	247.73
Net Regulatory Assets/(Liabilities)	167.89	(256.60)

Rate Regulated Activities

1 As per the Ind AS-114 'Regulatory Deferral Accounts', the business of electricity distribution is a Rate Regulated activity wherein Maharashtra Electricity Regulatory Commission (MERC), the regulator determines Tariff to be charged from consumers based on prevailing regulations in place.

2 MERC Multi Year Tariff Regulations, 2015 (MYT Regulations), is applicable for the period beginning from 1st April, 2016 to 31st March, 2020.

MERC Multi Year Tariff Regulations, 2019 (MYT Regulations), is applicable for the period beginning from 1st April, 2020 to 31st March, 2024. These regulations require MERC to determine tariff in a manner wherein the Company can recover its fixed and variable costs including assured rate of return on approved equity base, from its consumers. The Company determines the Revenue, Regulatory Assets and Liabilities as per the terms and conditions specified in MYT Regulations.

Notes to Consolidated financial statements for the year ended 31st March, 2021

55 Regulatory Deferral Account (Contd.)

3 Reconciliation of Regulatory Assets/Liabilities of distribution business as per Rate Regulated Activities is as follows:

(₹ in Crores)

S. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
A	Opening Regulatory Assets (Net)	(256.60)	834.04
	Add:		
B	Acquired on Business Combination(Net)	-	-
1	For Current Year	582.81	(232.77)
2	For Earlier Year	-	-
	Total C (1 + 2)	582.81	(232.77)
	Less:		
D	Recovered / (refunded) during the year*	158.32	857.87
E	Net Movement during the year (C - D)	424.49	(1,090.64)
F	Closing Balance (A + B+ E)	167.89	(256.60)

*Includes ₹214.86 Crores recovered during 31st March, 2020 on account of final truing up for FY 2017-18 and FY 2018-19

56 (i) Impairment testing of intangible Assets

In accordance with the requirements of Ind AS 36 "Impairment of Assets", AEML has as at 31st March, 2021.tested the Transmission Cash Generating Unit ("TCGU") which includes carrying value of Transmission License (₹981.62 crores) having indefinite useful life for impairment. The recoverable amount of the TCGU has been determined applying value in use approach. The value in use of the TCGU has been determined using Discounted Cash Flow Method (DCF).

In deriving the recoverable amount of the TCGU a discount rate (post tax) of 8.75 % (31st March, 2020: 9.00%) per annum has been used. In arriving at the recoverable amount of the TCGU , financial projections have been developed for 6 years (31st March, 2020: 5 years) and thereafter in perpetuity considering a terminal growth rate of 2% (31st March, 2020: 2.5%) per annum.

Based on the results of the TCGU impairment test, the estimated value in use of the TCGU was higher than its carrying amount, hence impairment provision recorded during the current year is ₹ Nil (31st March, 2020 - ₹ Nil) . Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the fair value of the Transmission License.

The key assumptions used in determining the recoverable amount of TCGU are as follows

Discount Rate: 8.75 % (31st March, 2020: 9 %) Post-Tax Discount rate has been derived based on current cost of borrowing and equity rate of return in line with the current market expectations

Capital expenditure /Capitalisation: Capital expenditure and capitalisation for 6 years (31st March, 2020: 5 years) is estimated based on management projections and thereafter ₹325 crores per annum.

Notes to Consolidated financial statements for the year ended 31st March, 2021

56 (ii) Goodwill

(₹ in Crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balance at beginning of the year	592.09	590.14
Arising on account of business combination	0.79	1.95
Balance at end of the year	592.88	592.09

Impairment testing of Goodwill

The group tests on a annual basis, goodwill arising on acquisition of subsidiaries amounting to ₹576.02 March, 2021 (₹576.02 crores for March 2020) which has been allocated to the respective Cash Generating Unit ("CGU")(ATIL, MEGPTCL and AEML) for impairment. Based on the annual impairment test no provision towards impairment was required necessary.

The recoverable amounts of the CGUs are determined from value-in-use calculations and the projections based on the period of the transmission licenses (including expected extensions)

The key assumptions for the value-in-use calculations are those regarding discount rates, growth rates, capital expenditure, and expected increase in direct costs . Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money. The growth rates are based on management's forecasts/ tariff regulations. Changes in direct costs are based on past practices and expectations of future changes in the market.

The Group prepares its forecasts based on the most recent financial budgets approved by management with projected revenue growth rates per respective tariff regulation wherein the revenue is determined considering the parameters/benchmarks laid down in the respective MERC/CERC tariff regulations.

The rates used to discount the Forecasts is 10.29% p.a.

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

57 (a) During the previous year 2019-20, Maharashtra Electricity Regulatory Commission (MERC) vide its order dated 30th March, 2020, has approved for (i) truing-up of the tariff for the period from the financial year 2017-18 & 2018-19, (ii) for Provisional truing up of financial year 2019-20 and (iii) Aggregate Revenue Requirement (ARR) for FY 2020-21 and FY 2024-25 for Adani Transmission (India) Limited (ATIL), Maharashtra Eastern Grid Power Transmission Company Limited (MEGPTCL) and Adani Electricity Mumbai Limited (AEML). Accordingly, based on the MERC order, during the previous period/year, Group has recognized revenue from operations of ₹254.43 Crores for the period from April, 2017 to March, 2019.

(b) During the year, Appellate Tribunal for Electricity (APTEL) has issued order in favour of MEGPTCL wherein it has set aside disallowances made by MERC in its earlier Truing up orders as regards capital expenditure and others. Accordingly, during the year, Group has recognized revenue from operations (ARR) of ₹329.52 Crores from the period April, 2015 to March, 2020 and recognized ₹56.50 Crores for the period April, 2020 to March, 2021. Under the circumstances, the figures for the current year are not comparable with the corresponding figures of the previous year, to that extent.

Notes to Consolidated financial statements for the year ended 31st March, 2021

58 (A) Non Controlling Interests (NCI)

Summary of financial information for a subsidiary (AEML) that has non-controlling interests that are material to the Group. The amounts disclosed for a subsidiary are before inter-company eliminations.

(₹ in Crores)

Summarised Balance Sheet	31st March, 2021	31st March, 2020
Total Non-current Assets	16,744.71	15,095.99
Total Current Assets	2,698.13	4,363.15
Regulatory Deferral Account - Assets	439.45	247.73
Total Assets	**19,882.29**	**19,706.87**
Non-current Liabilities	11,620.18	10,908.62
Current Liabilities	3,280.20	3,769.59
Regulatory Deferral Account - Assets	271.56	504.33
Total Liabilities	**15,171.94**	**15,182.54**
Accumulated NCI	**1,182.30**	**1,135.61**

(₹ in Crores)

Summarised statement of Profit and Loss	31st March, 2021	31st March, 2020
Profit /(Loss) for the year/period	259.17	(140.74)
Other Comprehensive Income / (Loss) for the year/period	(73.15)	(30.31)
Total Comprehensive Income /(Loss) for the year/period	186.02	(171.05)
Profit/(Loss) Allocated to NCI	**65.05**	**(35.33)**
Total Comprehensive Income /(Loss) allocated to NCI	**46.69**	**(42.93)**

(₹ in Crores)

Summarised Cash Flow allocated	31st March, 2021	31st March, 2020
Net cash from operating activities for the year	1,406.27	3,101.27
Net cash (used in) investing activities for the year	(1,052.61)	(3,047.08)
Net cash from financing activities for the year	(323.94)	(22.89)
Net (decrease) in cash and cash equivalents	**29.72**	**31.30**

(B) Gain on sale of Equity Shares of Subsidiary Companies to Non Controlling Interests

(₹ in Crores)

Particulars	31st March, 2021	31st March, 2020
Consideration received from non-controlling interests	-	1,209.62
Expenses incurred	-	(6.33)
Carrying amount of non-controlling interests	-	(1,105.91)
Gain on sale of Equity Shares of Subsidiary Companies to Non Controlling Interests	-	**97.38**

(C) Transaction with Non Controlling Interests

(₹ in Crores)

Particulars	31st March, 2021	31st March, 2020
Subordinate debt received	-	2,009.64
Commitment Charges Paid	-	7.52
Interest expense on Sub debt	131.87	19.24

(₹ in Crores)

Closing balance	31st March, 2021	31st March, 2020
Subordinate debt payable	2,061.70	2,133.75
Interest accrued but not due on Sub debt	51.40	19.24

Notes to Consolidated financial statements for the year ended 31st March, 2021

59 Group has acquired the control of the company wef 29th August, 2018, through its purchase from Reliance Infrastructure Limited ("RINFRA"), of the equity shares of the Company. In accordance with Share Purchase Agreement, any incremental adjustment, arising as a result of the above MERC MYT order for the period 1st April, 2017 to 28th August, 2018 is to the account of R-infra.

Consequent to the receipt of tariff orders on 30th March, 2020 the management has provisionally determined the amount recoverable/payable to RINFRA on account of various components such as annual surplus, capex disallowances, MAT credit etc. The amounts so provisionally determined will be further adjusted in the near future , for any further developments on regulatory matters pertaining to the above period.

60 During the year, Adani Transmission Limited (the Parent Company)

i) Signed a Share Purchase Agreement (SPA) and completed the acquisition of the SPV, Kharghar Vikhroli Transmission Private Limited (KVPTL), incorporated by Maharashtra State Electricity Transmission Company Ltd. (MSETCL). KVPTL will build, own, operate and maintain the transmission project in the state of Maharashtra for a period of 35 years. This Project comprises of approximately 34 Km of 400 kV and 220 kV transmission lines along with 1500 MVA 400 kV GIS Substation at Vikhroli in Mumbai, this acquisition accounted as Business Combination.

ii) Acquired 650 ckt kms transmission assets at West Bengal and Bihar by acquiring 49% of paid-up equity capital of Alipurduar Transmission Limited (''ALTL'') with effect from 26th November, 2020. The Group has finalised purchase consideration for acquisition of entire stake in ALTL, and has entered into a binding agreement to acquire remaining 51% paid-up equity capital of ALTL. Considering the rights available to the Group under the Share Purchase Agreement (SPA), the Group has concluded that it controls ALTL with effect from 26th November, 2020, this acquisition accounted as Assets Acquisition

iii) Signed a Share Purchase Agreement (SPA) and completed the acquisition of Warora-Kurnool Transmission Limited (WKTL) with effect from 31st March, 2021. WKTL will develop, operate and maintain transmission lines aggregating to ~1,750 ckt km. The 765 kV inter-state transmission line links Warora–Warangal and Chilakaluripeta-Hyderabad–Kurnool with a 765/400 kV new sub-station at Warangal, this acquisition accounted as Assets Acquisition.

(A) Summary of assets acquired and liabilities assumed as part of Assets acquisition when compared to the consideration paid is as below:

Net amount of Assets and Liabilities

(₹ in Crores)

Particulars	Warora Kurnool Transmission Limited	Alipurduar Transmission Limited
Assets		
Non-current assets		
Property, Plant and Equipment	60.43	1,262.23
Capital Work-In-Progress	821.84	-
Right of Usage	-	0.06
Other financial assets	-	0.04
Income Tax Assets (net)	-	0.08
Deferred Tax Assets (Net)	-	4.54
Other non-current assets	-	0.36
	882.27	1,267.31
Current assets		
Inventories	-	5.40
Trade Receivable	1.28	-
Cash and cash equivalents	0.14	16.05
Other financial assets	0.01	57.90
Other current assets	17.05	1.98
	18.48	81.33

Notes to Consolidated financial statements for the year ended 31st March, 2021

60 During the year, Adani Transmission Limited (the Parent Company) (Contd.)

(₹ in Crores)

Particulars	Warora Kurnool Transmission Limited	Alipurduar Transmission Limited
Total Assets (i)	900.75	1,348.65
Non-current liabilities		
Borrowings	-	905.29
Other Financial Liabilities	-	0.04
	-	905.33
Current liabilities		
Trade Payables	1.13	0.62
Other financial liabilities	896.84	27.32
Other Current Liabilities	2.78	0.05
	900.75	27.99
Total Liabilities(ii)	900.75	933.32
Net Assets (i-ii)	0.00	415.33

Consideration Transferred :

(₹ in Crores)

Particulars	Warora Kurnool Transmission Limited	Alipurduar Transmission Limited
Consideration Paid	0.00	415.33

B (a) **Fair value of assets acquired and liabilities recognised at the date of acquisition on account of Business Combination:**

(₹ in Crores)

Particulars	Kharghar Vikhroli Transmission Private Limited
Assets	
Non-current assets	
Other financial assets	135.44
	135.44
Current assets	
Cash and cash equivalents	0.05
Other financial assets	0.06
	0.11
Total Assets (i)	135.55
Current liabilities	
Trade Payables	0.00
Other financial liabilities	136.29
	136.29
Total Liabilities(ii)	136.29
Net Assets (i-ii)	(0.74)

Notes to Consolidated financial statements for the year ended 31st March, 2021

60 During the year, Adani Transmission Limited (the Parent Company) (Contd.)

(b) Goodwill arising from acquisition :

(₹ in Crores)

Particulars	Kharghar Vikhroli Transmission Private Limited
Consideration Paid	0.05
Less : Fair value of net assets (i-ii)	(0.74)
Goodwill/(Capital Reserve)	0.79

(c) Net cash outflow on acquisition :

Total Liabilities including Regulatory Liabilities (ii)	Kharghar Vikhroli Transmission Private Limited
Total Consideration paid during the year	0.05
Total	0.05

As if these companies where acquired on 1st April, 2020, the profitability would have been Increased by ₹ Nil as per below table :-

Particulars	Kharghar Vikhroli Transmission Private Limited
Profitability Increase/(Decrease)	-

d) Impact of acquisition on the results of the Group :

Included in the Statement of profit and loss after tax for the year ended 31st March, 2021 is ₹20.83 Crores attributable to the acquisition.

e) The results of these subsidiaries, after elimination of inter company transactions and balances, as included in the consolidated financial statements for the year ended 31st March, 2021 are given below :

(₹ in Crores)

Particulars	As at 31st March, 2021 Kharghar Vikhroli Transmission Private Limited
ASSETS	
Non-current Assets	
Capital Work-In-Progress	93.85
Income Tax Assets (net)	0.00
Other Non-current Assets	196.71
Total Non-current Assets	290.56
Current Assets	
(i) Cash and Cash Equivalents	0.33
(ii) Loans	0.01
(iii) Financial Assets - Others	17.24
Other Current Assets	0.00
Total Current Assets	17.58
Total Assets	**308.14**

Notes to Consolidated financial statements for the year ended 31st March, 2021

60 During the year, Adani Transmission Limited (the Parent Company) (Contd.)

(₹ in Crores)

Particulars	As at 31st March, 2021 Kharghar Vikhroli Transmission Private Limited
Liabilities	
Non-current Liabilities	
Financial Liabilities	
(i) Other Financial Liabilities	0.26
Provisions	0.48
Total Non-current Liabilities	0.74
Current Liabilities	
Financial Liabilities	
(i) Trade Payables	0.03
(ii) Other Financial Liabilities	4.20
Other Current Liabilities	0.16
Provisions	0.08
Total Current Liabilities	4.47
Total Liabilities	5.21

(₹ in Crores)

Particulars	For the Period 25th June, 2020 to 31st March, 2021
Total Revenue	-
Total Expenses	(20.83)
Profit / (Loss) before tax	-
Tax	-
Profit / (Loss) after tax	(20.83)

61 Other Disclosures

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

(ii) The date of implementation of the Code on Wages, 2019 and the Code on Social Security, 2020 is yet to be notified by the Government. The Group will assess the impact of these Codes and give effect in the financial results when the Rules/Schemes thereunder are notified.

Notes to financial statements for the year ended 31st March, 2021

62 Subsequent Event

The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of consolidated financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the consolidated financial statements. As of 06th May, 2021, there are no subsequent events to be recognized or reported that are not already disclosed.

63 The Consolidated Financial Statements for the year ended 31st March, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 06th May, 2021.

As per our attached report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number : 117366W/W-100018

MOHAMMED BENGALI
Partner
Membership No. 105828

Place : Mumbai
Date : 6th May, 2021

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

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

JALADHI SHUKLA
Company Secretary
Place : Ahmedabad
Date : 6th May, 2021

Form No. AOC-I

Salient features of the financial statement of subsidiaries as per Companies Act, 2013

PART "A" : Subsidiaries

(₹ in Crores)

Sr. No.	Name of the Subsidiary	Reporting Period	Reporting Currency	Share Capital	Unsecured Perpetual Equity Instrument	Instrumental Entirely Equity in Nature	Reserves & Surplus1	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) after Taxation	Proposed Dividend	% of Shareholding
1	Adani Transmission (India) Limited	FY 2020-21	₹	110.05	-	-	2,120.53	4,021.98	1,791.40	11.04	868.49	357.65	61.80	295.85	-	100%
2	Maharashtra Eastern Grid Power Transmission Company Limited	FY 2020-21	₹	707.50	-	-	1,790.40	5,278.62	2,780.72	51.23	1,355.35	635.07	110.98	524.09	-	100%
3	Sipat Transmission Limited	FY 2020-21	₹	44.00	-	-	35.40	615.72	536.32	17.07	98.85	35.00	6.86	28.14	-	100%
4	Raipur-Rajnandgaon-Warora Transmission Limited	FY 2020-21	₹	91.10	-	-	85.42	1,402.63	1,226.10	-	226.60	76.68	16.38	60.30	-	100%
5	Chhattisgarh-WR Transmission Limited	FY 2020-21	₹	68.00	-	-	57.01	1,072.31	947.30	-	170.14	54.62	13.06	41.56	-	100%
6	Adani Transmission (Rajasthan) Limited	FY 2020-21	₹	8.50	-	-	10.57	163.48	144.41	-	21.03	8.42	1.87	6.55	-	100%3
7	North Karanpura Transco Limited	FY 2020-21	₹	0.05	-	31.57	(2.76)	403.19	374.32	-	-	(0.00)	-	(0.00)	-	100%
8	Maru Transmission Service Company Limited	FY 2020-21	₹	8.94	-	-	12.52	217.36	195.90	6.31	35.40	(0.13)	(0.68)	0.55	-	100%
9	Aravali Transmission Service Company Limited	FY 2020-21	₹	5.23	-	-	(6.75)	141.84	143.36	7.17	22.08	0.75	(0.14)	0.89	-	100%
10	Western Transco Power Limited	FY 2020-21	₹	10.00	-	-	157.75	650.97	483.22	20.47	68.05	15.44	(1.40)	16.84	-	100%
11	Western Transmission (Gujarat) Limited	FY 2020-21	₹	10.00	-	-	108.45	366.77	248.32	18.61	37.77	16.51	3.86	12.65	-	100%
12	Hadoti Power Transmission Service Limited	FY 2020-21	₹	10.00	-	-	43.80	211.66	157.86	1.75	48.55	27.79	8.26	19.53	-	100%
13	Barmer Power Transmission Service Limited	FY 2020-21	₹	8.00	-	-	37.26	161.05	115.80	1.12	38.82	21.76	7.32	14.44	-	100%
14	Thar Power Transmission Service Limited	FY 2020-21	₹	7.00	-	-	30.89	143.16	105.27	0.51	34.87	19.32	6.13	13.19	-	100%
15	Fatehgarh-Bhadla Transmission Limited	FY 2020-21	₹	25.50	-	-	(0.30)	547.87	522.67	-	-	(0.02)	0.00	(0.02)	-	100%
16	Adani Electricity Mumbai Limited	FY 2020-21	₹	4,020.82	-	-	689.53	19,852.90	15,142.55	204.97	6,049.27	336.32	77.15	259.17	-	74.90%
17	Ghatampur Transmission Limited	FY 2020-21	₹	114.38	-	38.94	4.01	1,439.72	1,282.39	12.41	11.42	6.52	1.64	4.88	-	100%
18	Adani Transmission Bikaner Sikar Private Limited (Formerly Known as KEC Bikaner Sikar Transmission Private Limited)	FY 2020-21	₹	10.00	-	-	41.58	231.65	180.08	1.01	28.67	11.67	4.58	7.10	-	100%4

Form No. AOC-I

Salient features of the financial statement of subsidiaries as per Companies Act, 2013

PART "A" : Subsidiaries

(₹ in Crores)

Sr. No.	Name of the Subsidiary	Reporting Period	Reporting Currency	Share Capital	Unsecured Perpetual Equity Instrument	Instrumental Entirely Equity in Nature	Reserves & Surplus1	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) after Taxation	Proposed Dividend	% of Shareholding
19	OBRA-C Badaun Transmission Limited	FY 2020-21	₹	55.50	-	-	(0.16)	605.16	549.82	-	0.04	(0.06)	0.02	(0.08)	-	100%
20	AEML Infrastructure Limited	FY 2020-21	₹	0.01	-	-	(0.02)	19.53	19.53	-	-	(0.01)	-	(0.01)	-	100%
21	Bikaner Khetri Transmission Limited	FY 2020-21	₹	50.07	-	50.04	(0.46)	751.72	652.07	-	-	0.04	0.01	0.03	-	100%
22	WRSS XXI (A) Transco Limited	FY 2020-21	₹	0.05	-	-	(0.68)	412.91	413.53	-	-	(0.05)	0.02	(0.07)	-	100%
23	Lakadia Banaskantha Transco Limited	FY 2020-21	₹	0.05	-	-	(1.06)	473.41	474.42	-	-	(0.02)	-	(0.02)	-	100%
24	Jam Khambhaliya Transco Limited	FY 2020-21	₹	21.25	-	-	(1.14)	168.82	148.71	-	-	(0.03)	-	(0.03)	-	100%
25	Arasan Infra Private Limited	FY 2020-21	₹	0.01	-	-	(0.29)	2.46	2.74	-	-	(0.17)	-	(0.17)	-	100%
26	Sunrays Infra Space Private Limited	FY 2020-21	₹	0.01	-	-	(0.39)	4.14	4.52	-	-	(0.39)	0.01	(0.40)	-	100%
27	Power Distribution Services Limited (Formerly known as 'Adani Electricity Mumbai Services Limited')	FY 2020-21	₹	0.01	-	-	1.88	0.01	(1.88)	-	12.63	2.52	0.63	1.89	-	74.90%
28	Adani Electricity Mumbai Infra Limited	FY 2020-21	₹	0.01	-	-	(0.00)	31.17	31.16	-	-	(0.00)	-	(0.00)	-	74.90%
29	Alipurduar Transmission Limited	27th November, 2020 31st March, 2021	₹	55.63			160.24	1,184.08	968.21		185.84	61.05	15.37	45.68		100%5
30	Kharghar Vikhroli Transmission Private Limited	25th June, 2020 31st March, 2021	₹	0.05			(0.82)	308.14	308.91			(0.01)	-	(0.01)		100%
31	Warora-Kurnool Transmission Limited	31st March, 2021 31st March, 2021	₹	297.00		186.07	(379.64)	1,004.18	900.75		6.16	(199.46)	-	(199.46)		100%
32	Adani Transmission Step One Limited	23rd Sept, 2020 31st March, 2021	₹	0.01		-	(0.00)	0.06	0.06		-	(0.00)	-	(0.00)		100%
33	AEML Seepz Limited	08th Dec, 2020 31st March, 2021	₹	0.01		-	(0.00)	0.01	0.01		-	(0.00)	-	(0.00)		100%

Form No. AOC-I

Salient features of the financial statement of subsidiaries as per Companies Act, 2013

1. Reserves & Surplus includes Other Comprehensive Income
2. Date of Acquisition by the company:

   Kharghar Vikhroli Transmission Private Limited - 25th June, 2020

   Alipurduar Transmission Limited - 26th November, 2020

   Warora Kurnool Transmission Limited - 31st March, 2021
3. Adani Transmission (Rajasthan) Limited has entered into a contract (Transmission Service Agreement) with Rajasthan Rajya Vidyut Prasaran Nigam Limited (RRVPNL) providing for the issue and allotment of one non-transferable equity share of the Company (the "Golden Share") in favor of the RRVPNL.
4. Adani Transmission Bikaner Sikar Private Limited has entered into a contract (Transmission Service Agreement) with Rajasthan Rajya Vidyut Prasaran Nigam Limited (RRVPNL) providing for the issue and allotment of one non-transferable equity share of the Company (the "Golden Share") in favor of the RRVPNL.
5. During the year 2020-21, Adani Transmission Limited acquired 49% of paid-up equity capital of Alipurduar Transmission Limited (ALTL) with effect from 26th November, 2020 from Kalpataru Power Transmission Limited ("the Selling Shareholder") pursuant to Share Purchase Agreement ("SPA") date 5 July, 2020. Adani Transmission Limited has finalised purchase consideration for acquisition of entire stake in ALTL and has entered into a binding agreement with the Selling Shareholder to acquire remaining 51% paid-up equity capital of ALTL from the Selling Shareholder. Considering the rights available to the Group under the SPA, the Group has concluded that it controls ALTL, accordingly the Group has consolidated ALTL, for the year ended 31 March, 2021. Further the revenue and corresponding expenses of ALTL included in the consolidated financial results is from 26th November, 2020 to 31 March, 2021.
6. Date of Incorporation of subsidiary company:

   AEML Seepz Limited - 08th December, 2020

   Adani Transmission Step One Limited - 23rd September, 2020
7. In respect of Alipurduar Transmission Limited, Kharghar Vikhroli Transmission Private Limited and Warora-Kurnool Transmission Limited, the statement of salient featres of subsidiaries containes amount in respect of Turnover, Profit/(Loss) before Taxation, Provision for Taxation, Profit/(Loss) after Taxation and Proposed Dividend for the full financial year whereas in consolidated statement of profit and loss contains amount pertaining to the period after acquisition of control in these subsidiery companies.
8. Name of the Subsidiaries which are yet to commence operations

Sr. No.	Name of the Subsidiary
1	Ghatampur Transmission Limited*
2	OBRA-C Badaun Transmission Limited*
3	North Karanpura Transco Limited
4	Fatehgarh-Bhadla Transmission Limited
5	Bikaner Khetri Transmission Limited
6	WRSS XXI (A) Transco Limited
7	Lakadia Banaskantha Transco Limited
8	Jam Khambhaliya Transco Limited
9	Warora Kurnool Transmission Limited
10	AEML Infrastructure Limited
11	Adani Electricity Mumbai Infra Limited

* Part Capacity Commissioned

Note: There are no associate companies or joint ventures companies within the meaning of Section 2(6) of the Companies Act, 2013. Hence, Part B relating to the same is not applicable.

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

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 6th May, 2021

NOTICE

NOTICE is hereby given that the 8th Annual General Meeting of Adani Transmission Limited will be held on Tuesday, 13th July, 2021 at 11.00 a.m. through Video Conferencing / Other Audio Visual Means to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) for the financial year ended on 31st March, 2021 and the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Anil Sardana (DIN: 00006867), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 42, 62 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) (the "Companies Act"), the Foreign Exchange Management Act, 1999, as amended or restated ("FEMA"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended or restated (the "ICDR Regulations"), the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended or restated, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2000, as amended or restated, and subject to all other applicable laws, statutes, rules, circulars, notifications, regulations and guidelines of the Government of India, the Securities and Exchange Board of India (the "SEBI"), the Reserve Bank of India (the "RBI"), the relevant stock exchanges where the equity shares of the Company are listed (the "Stock Exchanges") and all other appropriate statutory and regulatory authorities, as may be applicable or relevant, whether in India or overseas (hereinafter collectively referred to as the "Appropriate Authorities"), the enabling provisions of the Memorandum and Articles of Association of the Company, as amended, and the listing agreements entered into by the Company with the Stock Exchanges and subject to requisite approvals, consents, permissions and sanctions, if any, of the Appropriate Authorities and subject to such conditions and modifications as may be prescribed by any of them in granting any such approvals, consents, permissions, and sanctions (hereinafter referred as the "Requisite Approvals") which may be agreed to by the Board of Directors of the Company (hereinafter referred as the "Board" which term shall be deemed to include any committee constituted or to be constituted by the Board to exercise its powers including the powers conferred by this resolution, or any person(s) authorised by the Board or its committee for such purposes), consent of the Company be and is hereby accorded to the Board in its absolute discretion, to create, offer, issue and allot, from time to time in either one or more international offerings, in one or more foreign markets, in one or more tranches and/or in the course of one or more domestic offering(s) in India, such number of equity shares and/ or any securities linked to, convertible into or exchangeable for equity shares including without limitation through Global Depository Receipts ("GDRs") and/or American Depository Receipts ("ADRs") and/ or convertible preference shares and/ or convertible debentures (compulsorily and/or optionally, fully and/ or partly) and/or Commercial Papers and/or warrants with a right exercisable by the warrant holder to exchange or convert such warrants with equity shares of the Company at a later date simultaneously with the issue of non-convertible debentures and/or Foreign Currency Convertible Bonds ("FCCBs") and/or Foreign Currency Exchangeable Bonds ("FCEBs") and/or any other combination of permitted fully and/or partly paid securities/ instruments/ warrants, convertible into or exchangeable for equity shares at the option of the Company and/ or holder(s) of the security(ies) and/or securities linked to equity shares (hereinafter collectively referred to as "Securities"), in registered or bearer form, secured or unsecured, listed on a recognized stock exchange in India or abroad whether rupee denominated or denominated in foreign currency, to such investors who are eligible to acquire such Securities in accordance with all applicable laws, rules, regulations, guidelines and approvals, through public issue(s), rights issue(s), preferential issue(s), private placement(s) and / or qualified institutional placement in terms of Chapter VIII of the SEBI (ICDR) Regulations or any combinations thereof, through any prospectus, offer document, offer letter, offer circular, placement document or otherwise, at such time or times and at such price or prices subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, at a discount or premium to market price or prices in such manner and on such terms and conditions including as regards security, rate of interest, etc., as may be deemed appropriate by the Board in its absolute discretion, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, for an aggregate amount, not exceeding ₹2,500 Crore (Rupees Two Thousand Five Hundred Crores Only) or foreign currency equivalent thereof, at such premium as may from time to time be decided by the Board and the Board shall have the discretion to determine the categories of eligible investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of investors at the time of such offer, issue and allotment considering the prevailing market conditions and all other relevant factors and where necessary in consultation with advisor(s), lead manager(s), and underwriter(s) appointed by the Company.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue(s) of Securities may, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, have all or any terms, or combination of terms, in accordance with domestic and/or international practice, including, but not limited to, conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever and all other such terms as are provided in offerings of such nature including terms for issue of additional equity shares or variation of the conversion price of the Securities during the duration of the Securities.

RESOLVED FURTHER THAT in case of any offering of Securities, including without limitation any GDRs/ADRs/ FCCBs/FCEBs/other securities convertible into equity shares, consent of the shareholders be and is hereby given to the Board to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion, redemption or cancellation of any such Securities referred to above in accordance with the terms of issue/offering in respect of such Securities and such equity shares shall rank pari passu with the existing equity shares of the Company in all respects, except as may be provided otherwise under the terms of issue/ offering and in the offer document and/or offer letter and/or offering circular and /or listing particulars.

RESOLVED FURTHER THAT the Board be and is hereby authorised to engage, appoint and to enter into and execute all such agreement(s)/ arrangement(s)/ MoUs/placement agreement(s)/ underwriting agreement(s)/ deposit agreement(s)/ trust deed(s)/ subscription agreement/ payment and conversion agency agreement/ any other agreements or documents with any consultants, lead manager(s), co-lead manager(s), manager(s), advisor(s), underwriter(s), guarantor(s),depository(ies), custodian(s), registrar(s), agent(s) for service of process, authorised representatives, legal advisors / counsels, trustee(s), banker(s), merchant banker(s) and all such advisor(s), professional(s), intermediaries and agencies as may be required or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees and such other expenses as it deems fit, listing of Securities in one or more Indian/ International Stock Exchanges, authorizing any director(s) or any officer(s) of the Company, severally, to sign for and on behalf of the Company offer document(s), arrangement(s), application(s), authority letter(s), or any other related paper(s)/documents(s), give any undertaking(s), affidavit(s), certification(s), declaration(s) including without limitation the authority to amend or modify such document(s).

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, consent of the members of the Company be and is hereby accorded to the Board to do all such acts, deeds, matters and/or things, in its absolute discretion and including, but not limited to finalization and approval of the preliminary as well as final document(s), determining the form, terms, manner of issue, the number of the Securities to be allotted, timing of the issue(s)/offering(s) including the investors to whom the Securities are to be allotted, issue price, face value, number of equity shares or other securities upon conversion or redemption or cancellation of the Securities, premium or discount on issue /conversion/ exchange of Securities, if any, rate of interest, period of conversion or redemption, listing on one or more stock exchanges in India and / or abroad and any other terms and conditions of the issue, including any amendments or modifications to the terms of the Securities and any agreement or document (including without limitation, any amendment or modification, after the issuance of the Securities), the execution of various transaction documents, creation of mortgage/ charge in accordance with the provisions of the Companies Act and any other applicable laws or regulations in respect of any Securities, either on a pari passu basis or otherwise, fixing of record date or book closure and related or incidental matters as the Board in its absolute discretion deems fit and to settle all questions, difficulties or doubts that may arise in relation to the issue, offer or allotment of the Securities, accept any modifications in the proposal as may be required by the Appropriate Authorities in such issues in India and / or abroad and subject to applicable law, for the utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent and that the members shall be deemed to have given their approval thereto for all such acts, deeds, matters and/or things, expressly by the authority of this resolution.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board is authorised on behalf of the Company to take all actions and to do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of aforesaid Securities and listing thereof with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of any of the Securities, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Company and/or any agency or body authorised by the Company may, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, issue certificates and/or depository receipts including global certificates representing the Securities with such features and attributes as are prevalent in international and/or domestic capital markets for instruments of such nature and to provide for the tradability or transferability thereof as per the international and/or domestic practices and regulations, and under the forms and practices prevalent in such international and/ or domestic capital markets.

RESOLVED FURTHER THAT the Company may enter into any arrangement with any agency or body for the issue, upon conversion of the Securities, of equity shares of the Company in registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the international practices and/ or domestic practices and regulations, and under the forms and practices prevalent in international and/or domestic capital markets.

RESOLVED FURTHER THAT the Securities may be redeemed and/or converted into and/or exchanged for the equity shares of the Company (or exchanged for equity shares of any other company as permitted under applicable law), subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, in a manner as may be provided in the terms of their issue.

RESOLVED FURTHER THAT in case of a Qualified Institutional Placement (QIP) pursuant to Chapter VIII of the SEBI (ICDR) Regulations, the allotment of eligible securities within the meaning of Chapter VIII of the SEBI (ICDR) Regulations shall only be made to Qualified Institutional Buyers (QIBs) within the meaning of Chapter VIII of the SEBI (ICDR) Regulations, such securities shall be fully paid-up and the allotment of such securities shall be completed within 12 months from the date of the resolution approving the proposed issue by the members of the Company or such other time as may be allowed by SEBI (ICDR) Regulations from time to time and that the securities be applied to the National Securities Depository Limited and/or Central Depository Services (India) Limited for admission of the eligible securities to be allotted as per Chapter VIII of the SEBI (ICDR) Regulations.

RESOLVED FURTHER THAT the relevant date for the purpose of pricing of the Securities by way of QIP/GDRs/ ADRs/FCCBs/FCEBs or by way of any other issue(s) shall be the date as specified under the applicable law or regulation or it shall be the date of the meeting in which the Board decides to open the issue.

RESOLVED FURTHER THAT the Board and other designated officers of the Company be and are hereby severally authorised to make all filings including as regards the requisite listing application/ prospectus/ offer document/ registration statement, or any draft(s) thereof, or any amendments or supplements thereof, and of any other relevant documents with the Stock Exchanges (in India or abroad), the RBI, the FIPB, the SEBI, the Registrar of Companies and such other authorities or institutions in India and/ or abroad for this purpose and to do all such acts, deeds and things as may be necessary or incidental to give effect to the resolutions above and the Common Seal of the Company be affixed wherever necessary.

RESOLVED FURTHER THAT such of these Securities as are not subscribed may be disposed off by the Board in its absolute discretion in such manner, as the Board may deem fit and as permissible by law.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of its powers conferred by this resolution on it, to any Committee of directors or the Managing Director or Directors or any other officer of the Company, in order to give effect to the above resolutions.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects."

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in terms of applicable provisions of Listing Agreement executed with the Stock Exchanges, consent of the members be and is hereby accorded for ratification / approval of material related party transaction(s) as set out in the explanatory statement annexed to the notice convening this meeting.

   RESOLVED FURTHER THAT the Board of Directors thereof be and is hereby authorised to take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution."

Date:6th May, 2021
Place : Ahmedabad

For and on behalf of the Board

Jaladhi Shukla
Company Secretary

Registered Office:
Adani Corporate House, Shantigram,
Nr. Vaishno Devi Circle,
S. G. Highway, Khodiyar,
Ahmedabad – 382 421,
Gujarat, India
CIN :L40300GJ2013PLC077803

NOTES:

1. In view of the continuing outbreak of the COVID-19 pandemic, social distancing is a norm to be followed, the Government of India, Ministry of Corporate Affairs allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and dispended the personal presence of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated 8th April, 2020, Circular No. 17/2020 dated 13th April, 2020 and Circular No. 20/2020 dated 5th May, 2020 and Circular No. 02/2021 dated 13th January, 2021 prescribing the procedures and manner of conducting the Annual General Meeting through VC/OVAM. In terms of the said circulars, the 8th Annual General Meeting (AGM) of the members will be held through VC/OAVM. Hence, members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is as per note no. 18 and available at the Company's website www.adanitransmission.com

2. The helpline number regarding any query / assistance for participation in the AGM through VC/OAVM is 022-23058542/43.

3. Information regarding appointment/re-appointment of Directors and Explanatory Statement in respect of special businesses to be transacted pursuant to Section 102 of the Companies Act, 2013 and/or Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto.

4. Pursuant to the Circular No. 14/2020 dated 8th April, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

6. In line with the aforesaid Ministry of Corporate Affairs (MCA) Circulars, the Notice calling the AGM has been uploaded on the website of the Company at www.adanitransmission.com The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. www.evotingindia.com

7. The Register of members and share transfer books of the Company will remain closed from Tuesday, 6th July, 2021 to Tuesday, 13th July, 2021 (both days inclusive) for the purpose of Annual General Meeting.

8. Shareholders seeking any information with regard to accounts are requested to write to the Company atleast 10 days before the meeting so as to enable the management to keep the information ready.

9. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the R&T Agent of the Company. In case shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.

10. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to individual shareholders holding shares in the physical form. The shareholders who are desirous of availing this facility, may kindly write to Company's R&T Agent for nomination form by quoting their folio number.

11. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode.

12. The Members can join the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship

Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

13. Process and manner for members opting for voting through Electronic means:

    i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020, 5th May, 2020 and 13th January, 2021, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL), as the Authorised e-voting agency for facilitating voting through electronic means. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by CDSL.

    ii. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. Tuesday 6th July, 2021, shall be entitled to avail the facility of remote e-voting as well as e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.

    iii. A person who has acquired the shares and has become a member of the Company after the despatch of the Notice of the AGM and prior to the Cut-off date i.e. Tuesday, 6th July, 2021, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or venue voting system on the date of the AGM by following the procedure mentioned in this part.

    iv. The remote e-voting will commence on Friday, 9th July, 2021 at 9.00 a.m. and will end on Monday, 12th July, 2021 at 5.00 p.m. During this period, the members of the Company holding shares either in physical form or in demat form as on the Cut-off date i.e. Tuesday, 6th July, 2021 may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by CDSL thereafter.

    v. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.

    vi. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e. Tuesday, 6th July, 2021.

    vii. The Company has appointed CS Chirag Shah, Practising Company Secretary (Membership No. FCS: 5545; CP No: 3498), to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.

14. **Process for those shareholders whose email ids are not registered:**

    a) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to jaladhi.shukla@adani.com.

    b) For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to jaladhi.shukla@adani.com.

15. **THE INSTRUCTIONS FOR SHAREHOLDRES FOR REMOTE VOTING ARE AS UNDER:**

    (i) The voting period begins on Friday, 9th July, 2021 at 9.00 a.m. and ends on Monday, 12th July, 2021 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Tuesday, 6th July, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular dated 9th December, 2020, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi.
	2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.
	3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration
	4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select Register Online for IDeAS Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
	3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digitdemat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding shares in physical form.

1. The shareholders should log on to the e-voting website www.evotingindia.com
2. Click on Shareholders.
3. Now Enter your User ID
a. For CDSL: 16 digits beneficiary ID,
b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
6. If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form other than individual and Physical Form	
PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
	If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN of the Company – ADANI TRANSMISSION LIMITED on which you choose to vote.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) Shareholders can also cast their vote using CDSL's mobile app m-Voting. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xvii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company, if voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

  In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or call 022-23058542/43.

  All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N. M. Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 022-23058542/43.

16. **The instructions for shareholders attending the AGM through VC/OAVM & e-voting during meeting are as under:-**

    1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for Remote e-voting.
    2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
    3. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available in the AGM.
    4. If any Votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members participating in the meeting.
    5. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

17. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.adanitransmission.com and on the website of CDSL i.e. www.cdslindia.com within two days of the passing of the Resolutions at the 8th Annual General Meeting of the Company and shall also be communicated to the Stock Exchanges where the shares of the Company are listed.

18. **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

    1. Member will be provided with a facility to attend the AGM through VC/OAVM or view the live webcast of AGM through the CDSL e-Voting system. Members may access the same at https://www.evotingindia.com under shareholders' / members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/ members login where the EVSN of Company will be displayed.
    2. Members are encouraged to join the Meeting through Laptops / IPads for better experience.
    3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
    4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
    5. For ease of conduct, members who would like to ask questions may send their questions in advance atleast (7) days before AGM mentioning their name, demat account number / folio number, email id, mobile number at pritesh.shah@adani.com and register themselves as a speaker. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.
    6. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

Contact Details:

Company	:	Adani Transmission Limited Regd. Office: "Adani Corporate House", Shantigram, Nr. Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad – 382 421, Gujarat, India CIN: L40300GJ2013PLC077803 E-mail: jaladhi.shukla@adani.com
Registrar and Transfer Agent	:	M/s. Link Intime India Private Limited 5th Floor, 506-508, Amarnath Business Centre – 1 (ABC-1), Beside Gala Business Centre, Off C. G. Road, Ellisbridge, Ahmedabad – 380 006. Tel: +91-79-26465179 Fax : +91-79-26465179 E-mail: ahmedabad@linkintime.co.in
e-Voting Agency	:	Central Depository Services (India) Limited E-mail: helpdesk.evoting@cdslindia.com Phone: 022- 22723333 / 8588
Scrutinizer	:	CS Chirag Shah Practising Company Secretary E-mail: pcschirag@gmail.com

Annexure to Notice

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and / or Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

For Item No. 3:

The Company proposes to have flexibility to infuse additional capital, to tap capital markets and to raise additional long term resources, if necessary in order to sustain rapid growth in the business, for business expansion and to improve the financial leveraging strength of the Company. The proposed resolution seeks the enabling authorization of the members to the Board of Directors to raise funds to the extent of ₹2,500 Crore (Rupees Two Thousand Five Hundred Crores Only) or its equivalent in any one or more currencies, in one or more tranches, in such form, on such terms, in such manner, at such price and at such time as may be considered appropriate by the Board (inclusive at such premium as may be determined) by way of issuance of equity shares of the Company ("Equity Shares") and/or any instruments or securities including Global Depository Receipts ("GDRs") and/or American Depository Receipts ("ADRs") and/or convertible preference shares and/ or convertible debentures (compulsorily and/or optionally, fully and/ or partly) and/or non-convertible debentures (or other securities) with warrants, and/or warrants with a right exercisable by the warrant holder to exchange or convert such warrants with equity shares of the Company at a later date simultaneously with the issue of Foreign Currency Convertible Bonds ("FCCBs") and/ or Foreign Currency Exchangeable Bonds ("FCEBs") and/or any other combination of permitted fully and/or partly paid securities/instruments/warrants, convertible into or exchangeable for equity shares at the option of the Company and/or holder(s) of the security(ies) and/or securities linked to equity shares (hereinafter collectively referred to as "Securities"), in registered or bearer form, secured or unsecured, listed on a recognized stock exchange in India or abroad whether rupee denominated or denominated in foreign currency by way of private placement or otherwise.

The Special Resolution also seeks to empower the Board of Directors to undertake a Qualified Institutional Placement (QIP) with Qualified Institutional Buyers (QIBs) as defined by SEBI under Issue of Capital and Disclosure Requirements Regulations, 2009. The Board of Directors may in their discretion adopt this mechanism as prescribed under Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. Further in case the Company decides to issue eligible securities within the meaning of Chapter VIII of the SEBI Regulations to Qualified Institutional Investors, it will be subject to the provisions of Chapter VIII of the SEBI Regulations as amended from time to time. The aforesaid securities can be issued at a price after taking into consideration the pricing formula prescribed in Chapter VIII of the SEBI (ICDR) Regulations. Allotment of securities issued pursuant to Chapter VIII of SEBI Regulations shall be completed within twelve months from the date of passing of the resolution under Section 42 and 62 of the Companies Act, 2013. This Special Resolution gives (a) adequate flexibility and discretion to the Board to finalise the terms of the issue, in consultation with the Lead Managers, Underwriters, Legal Advisors and experts or such other authority or authorities as need to be consulted including in relation to the pricing of the Issue which will be a free market pricing and may be at premium or discount to the market price in accordance with the normal practice and (b) powers to issue and market any securities issued including the power to issue such Securities in such tranche or tranches with/without voting rights or with differential voting rights.

The detailed terms and conditions for the issue of Securities will be determined in consultation with the advisors, and such Authority(ies) as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

The consent of the shareholders is being sought pursuant to the provisions of Section 42, 62 and other applicable provisions of the Companies Act, 2013 and in terms of the provisions of the listing agreement executed by the Company with Stock Exchanges where the Equity Shares of the Company are listed. Since the resolution involves issue of Equity Shares to persons other than existing shareholders, special resolution in terms of Section 42 and 62 of the Companies Act, 2013 is proposed for your approval. The amount proposed to be raised by the Company shall not exceed ₹2,500 Crore (Rupees Two Thousand Five Hundred Crores Only).

The Equity shares, which would be allotted, shall rank in all respects pari passu with the existing Equity Shares of the Company, except as may be provided otherwise under the terms of issue/offering and in the offer document and/or offer letter and/or offering circular and/or listing particulars.

The Board of Directors recommends the said resolution for your approval.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

For Item No. 4:

Pursuant to the provisions of Section 188 of the Companies Act, 2013 read with rules made thereunder and in terms of applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), consent of members by way of an ordinary resolution is required for ratification/ approval of material related party transactions entered into by the Company with related party.

During the year under review, the Company has reported the following material related party transaction(s) with the related party -

(₹ in Crores)

Name of the Related Party	Nature of Relationship	Nature of transaction	Transaction Value for the year ended 31st March,2021
Adani Infra (India) Ltd.	Entity under common control	Distribution on perpetual security and Financial transactions.	4,403.60

The Company had issued Unsecured Perpetual Equity Instrument (the "Instrument") to Adani Infra (India) Limited (AIIL) in 2017-18 & 2018-19. This investment by AIIL is perpetual in nature with no maturity or redemption and is callable only at the option of the Company. The obligation of the Company to repay the outstanding amounts shall rank on a pari passu basis with the obligations of the company to make payments/distributions in relation to any parity securities issued/ to be issued by the company and be senior to the obligations of the company to make payments/distributions in relation to preference and equity share capital and any other securities at par with preference and equity share capital of the Company.

As this Instrument are perpetual in nature and ranked senior only to the Share Capital of the Company and the Company does not have any redemption obligation, these are considered to be in the nature of equity instruments.

Rationale for the transaction- This amount was invested in ATL by AIIL to support acquisition of AdaniElectricity Mumbai Limited's (AEML) Business whichis in the Gateway city/Financial Capital of India and is considered as a marquee asset for the Company's entry into retail electricity distribution business. To support this acquisition for sustainable growth with proper Debt: Equity mix, the Promoter group which is already holding 74.92% in the company, had to be approached by management for urgent financial assistance in the manner that its recognised as an equity instrument for lenders to support with their corporate financing. Basis negotiations, the Promoters agreed to contribute significant sum of equity alike instrument, with reasonable equity returns on the amount and agreeing to deeply subordinate the sum provided, in the form of Perpetual Equity. Accordingly, the sum provided accrues 11.80% p.a. return on the same with mutually agreeable payment terms. The original sum contributed along with carrying costs can only be paid only against the equity sum to be mobilised by the company. Thus the amount received is from related party but it's a facilitation sum that the Company needed for marquee acquisition and is rather a huge support lent by Promoter.

As per the SEBI Listing Regulations, all related parties of the Company shall abstain from voting on the said resolution.

The Board of Directors recommends the said resolution for your approval.

Mr. Gautam S. Adani and Mr. Rajesh S. Adani and their relatives are deemed to be concerned or interested in this resolution. None of the other Directors or key managerial personnel or their relatives is, in anyway, concerned or interested in the said resolution.

Date:6th May, 2021
Place : Ahmedabad

For and on behalf of the Board

Jaladhi Shukla
Company Secretary

Registered Office:
Adani Corporate House, Shantigram,
Nr. Vaishno Devi Circle,
S. G. Highway, Khodiyar,
Ahmedabad – 382 421,
Gujarat, India
CIN :L40300GJ2013PLC077803

Annexure to Notice

Details of Director seeking Appointment / Re-appointment

Name of Director	Age, Date of Birth (No. of Shares held)	Qualification	Nature of expertise in specific functional area	Name of the companies in which he holds directorship as on 31st March, 2021	Name of committees in which he holds membership/ chairmanship as on 31st March, 2021
Mr. Anil Sardana (DIN: 00006867)	62 Years 16.04.1959 (Nil)	B.E. (Electrical) PGDM ICWA (I)	Anil Sardana has more than 41 years of experience in the infrastructure space, particularly in the Energy and Telecom sectors having managed complex transitions, developments & operations as well as Engineering, Procurement and Construction assignments. He had also worked at NTPC (14 years) and BSES (7 years) prior to joining Tata Group where he spent 18 years. He held Chairman's position at CII National Committee on Power from 2012 onwards till April 2018, where after he is now National Co-Chair on Cil's Infra Council.	• Adani Transmission Limited^^ • Adani Power Limited^^ • Adani Electricity Mumbai Limited • Adani Electricity Mumbai Infra Limited • AEML SEEPZ Limited	• Adani Transmission Limited - Stakeholders' Relationship Committee (Member) - Corporate Social Responsibility & Sustainability Committee (Member) - Risk Management Committee (Chairman) • Adani Power Limited - Audit Committee (Member) - Risk Management Committee (Member) - Sustainability & CSR Committee (Member)

^^Listed Companies.

For, other details such as number of meetings of the board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of above Director, please refer to the Corporate Governance Report.

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Transmission