



# Facilitating Seamless Sustainable & Simple Solutions

Annual Report 2019-20



The power of service

**adani**  
Electricity

# Across the Pages

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To continue building together each day a healthier and more accessible energy model, based on electricity, is what we strive for...

## **SUSTAINABILITY DEFINES WHO WE ARE.**

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OUR ENDURING COMMITMENT TO SUSTAINABILITY LEADERSHIP IS FOCUSED ON AREAS WHERE WE BELIEVE WE CAN MAKE A MEANINGFUL DIFFERENCE.

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## **IT UNDERPINS OUR PURPOSE TO DELIVER CLEAN ENERGY FOR A FAIRER AND HEALTHIER WORLD.**

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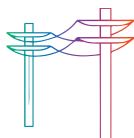
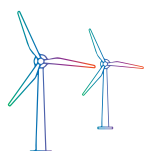
Sustainability isn't a philosophy alongside our business strategy; it is hard-wired into what we do, and it drives Adani Electricity Mumbai Limited's ('Adani Electricity' or 'the Company') overall performance and success.



# ABOUT ADANI ELECTRICITY

Adani Electricity is India's largest private sector power distribution utility, distributing electricity for over nine decades in Mumbai, the commercial capital of India. It is the distribution arm of the Adani Transmission Limited (ATL), formed after the acquisition of Reliance Infrastructure Limited's integrated Generation, Transmission and Distribution utilities powering the city of Mumbai.

A huge customer base and the spread of electricity distribution has made Adani Electricity, a business powerhouse of Mumbai. The Company owns the largest, advanced and efficient power distribution network, which helps in meeting the power demand of 2,000 MW in Mumbai. Additionally, the Company offers, world-class customer care service through various customer-convenience offerings spanning issuing bills in multiple languages, more than 2,000 payment avenues, 24X7 multi-lingual toll-free number, contemporary customer care centers and a bouquet of other technology-driven and value-added services.



**3 million**   
Households Served

**400 sq. kms**   
Distribution Network Span

**85 %**   
City Area Covered

**55 %**   
Electricity Supplied

**10,169 MUs**   
Energy Output

**12 million**   
Consumers Served

**4,798 kms**   
High-tension Cables

**19,445 kms**   
Low-tension Cables

**6,448**   
Substations

## VISION

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



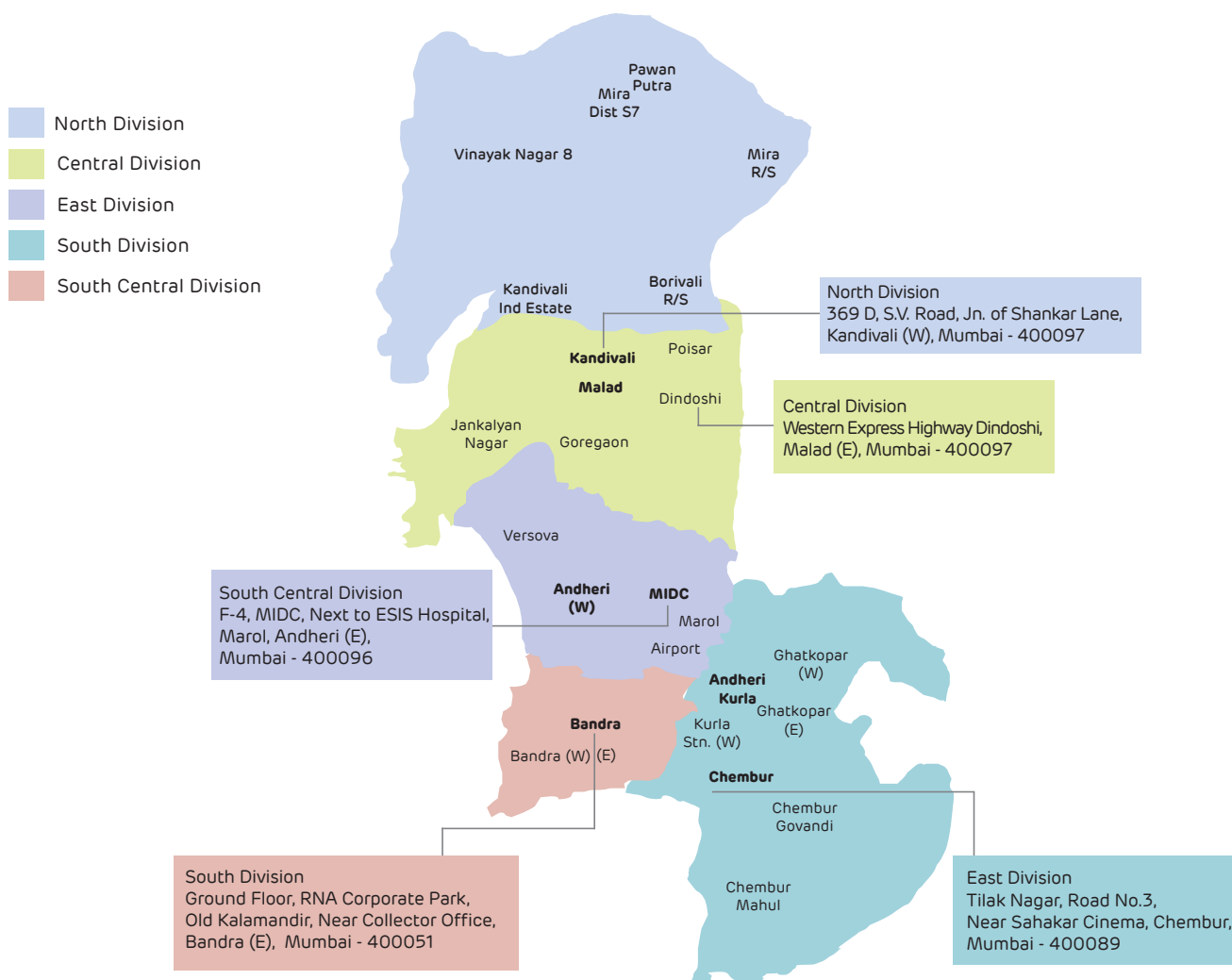
## OUR CORE VALUES

**Trust:** We shall believe in our employees and other stakeholders

**Courage:** We shall embrace new ideas and businesses

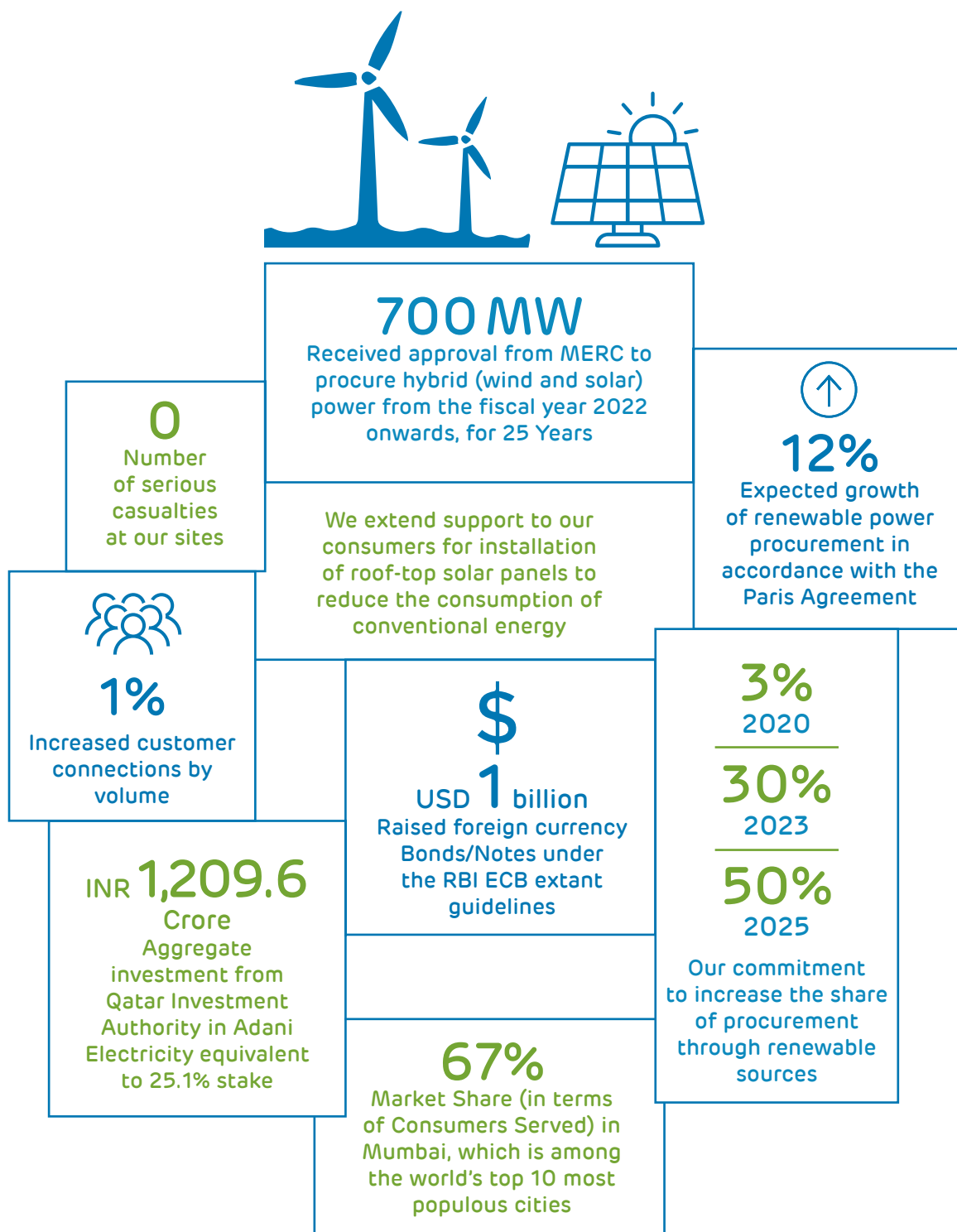
**Commitment:** We shall stand by our promises and adhere to high standards of business

# DISTRIBUTION PRESENCE ACROSS MUMBAI



# HIGHLIGHTS

WE ARE COMMITTED TO ACHIEVING EXCELLENCE IN ENVIRONMENTAL PERFORMANCE, PRESERVATION AND PROMOTION, TO MAINTAIN A CLEAN AND HEALTHY ENVIRONMENT.





## MESSAGE FROM THE GROUP CHAIRMAN



### Dear Shareholders,

The Webster definition of resilience is 'the capability of a strained body to recover its size and shape after deformation caused especially by compressive stress'. It is hard to believe that it was less than 3 months ago, on 11th March 2020, that the World Health Organization declared the outbreak of COVID-19 as a pandemic, meaning COVID-19 has spread worldwide. If there ever has been a time when the need for global resilience has been critical, it is now.



### The Power to Overcome:

At a time like this, one looks for inspiration. In this context Wayne Muller, a well-known author, writes that for thousands of years humankind has suffered famine, war, plague, hunger, and countless injustices; it has experienced numberless births and deaths. Each community of people has had to find some way to speak about what sustained them or brought them grace — even in the midst of terrible sorrow. We have struggled to name this human trait, the universal force that makes the grass improbably push its way through concrete, the force that turns the earth, the energy that we seem to possess and blesses all life, the essential presence in our deepest nature that can never be spoken of with perfect accuracy but yet make us what we are. History is one big story of human overcoming. It's what we are born to do and it is what we have to overcome with collective wisdom of scientists, doctors and society.

### Decisive Governance:

What we must realize is that there are no absolute right or wrong ideas. What is required during an unprecedented, hard to model, crisis like COVID-19, is a Government that is willing to make decisions based on best available information at a given point of time and constantly adapting as new information becomes available. For this, the Indian Government and bureaucracy must be complimented. Countries with greater resources than ours have struggled and while our battle with the virus is far from over, I have no hesitation in stating that had the decisions that got made been delayed we could have been facing an unmitigated health infrastructure challenges that

would have been far more painful. Yes, the economy and business have suffered immensely, lives and jobs have been impacted, and the migrant worker crisis saddened the entire nation, but the consequences of the unknown alternates could have been far grimmer. The direction that leaders of our nation, the doctors, the healthcare workers, the police, the army, the utility service provider, small street side vendors, and the citizens have taken to support each other is truly what defines India and its resilience. Added to this the fact that the Government is now able to do direct benefits transfer, as a result of the integrated approach it has proliferated to large section of mass population through the Jan Dhan, Aadhaar and Mobile linked payments, have paid dividends. There could not have been a more apt time to reap the benefits of the infrastructure that the Government has the vision to put in place.

### The Possibilities:

Sitting where we are today, I can say that history is in process of being scripted. I will be the first to admit that I have no way of predicting the short or mid-term possible economic outcomes as a result of COVID-19. However, there cannot be any denying the fact that India, over the next several decades, will be a market continuously on the up and one that simply cannot be ignored. It will be one of the world's top consumption centers, manufacturing and service hubs and a beacon of stable democratic governance. If there was a time to make a bet on India, there may not be a better time than now. What I can predict is that on the other side of this crisis will emerge massive new opportunities, great

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**What is required during an unprecedented, hard to model, crisis like COVID-19, is a Government that is willing to make decisions based on best available information at a given point of time and constantly adapting as new information becomes available.**

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**Our vision is to become the world's largest solar power company by FY 2024-25, and the largest renewable power company by FY 2029-30. I must mention here that our Group and TOTAL signed definitive agreements to deepen our existing partnership and commitment for developing multi-energy offerings for the Indian energy market.**



new leaders, terrific businesses, and a few stronger nations. Those that succeed will be the ones that understand that resilience is built on the other side of the tunnel of crisis and we are already getting ready for this.

### **Resilient Group Performance**

I am pleased to report that each one of our six publicly traded companies has performed well even as we started to confront the trying circumstances following the first few weeks of 2020. While we may have to do need-based course correction in our strategies in the wake of the challenge that we are facing, the roadmap remains clear. Our businesses are closely aligned to the lifeline of the economy, providing essential services to enhance the quality of life of citizens and addressing critical national infrastructure priorities. We look at our Group companies as individual growth drivers that complement each other's strengths.

Any shock to a system always helps drive home some key points and what the Indian businesses have learnt over the past few years and most certainly post COVID 19 is the value of an optimal, and perhaps for some sectors, a conservative capital structure as well as the criticality to have systematic risk mitigation plans in place. Both optimal capital structures and risk mitigation is a part of the maturing of the business philosophies as they grow in size and lay the foundation for stability as well as consistent value creation.

At the Group level, our focus is on re-assessing our 'risks' and improve 'rewards' by optimising capital utilisation, redesigning the organisational structure in our

businesses. I am happy to share that during the year, the Group has been able to bring strategic global equity partners in Adani Gas, Adani Green Energy Ltd and Adani Mumbai Electricity Ltd. The total investment by partners was USD 1.6 bn which will help drive future growth of our businesses. It is also pertinent to mention that AEML (part of Adani Transmission) recently completed an investment grade, USD 1 billion bond issuance, the first by a private integrated utility from India. The issue generated significant interest from international investors and was oversubscribed by 5.9 times. Similarly ATL achieved distinctive feat of long-term USD 400 Million overseas bonds with the US Private Placements, the proceeds from which would be used to refinance recently commissioned assets to further reduce the cost of debt and progressively deleverage the balance sheet. In the preceding 12 months, the Group has successfully placed seven bonds in the international markets, totaling to USD 4.26 bn.

### **The Power of Service**

The Adani Mumbai Electricity Ltd. (AEML), our retail electricity distribution business, holds immense significance to me. Not only do we have the opportunity to serve 3 million resilient residents of one of the greatest and busiest cities in the world, it also is the testimony to our vision of becoming India's only private company participating in the complete energy value chain and bolstering our country's energy security.

Among some of its most defining initiatives in FY 2019-20 were the Company's vision to empower some of the challenged communities living

in the peripheral pockets of the city. Villages like Gorai and tribal hamlets in the Aarey Colony that were electrified by AEML are testaments of the Adani Group's overarching intent of nation-building. Many such neighbourhoods unified through AEML's 'Power of Service' reinstate our commitment to the people of the city and the nation.

### Group's Sustainability Journey:

Our journey towards sustainability accelerated over the past 12 months. We are now leading the clean energy transformation taking place not just in India but globally, and our Group is building one of the largest integrated energy portfolios. Our vision is to become the world's largest solar power company by FY 2024-25, and the largest renewable power company by FY 2029-30. I must mention here that our Group and TOTAL signed definitive agreements to deepen our existing partnership and commitment for developing multi-energy offerings for the Indian energy market. We are fully committed to supporting our nation in diversifying its energy mix through partnerships in natural gas and solar energy.

### Growth with Goodness

We, at the Adani Parivar, are fighting the COVID-19 battle unitedly. Our foundation has contributed ₹ 100 Crore to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund). I am equally grateful to our workforce in India for contributing ₹ 4 Crore for the battle against COVID-19. It is because of the solidarity demonstrated by this workforce of over 17,000 people that our Foundation could add another

₹ 4 Crore, collectively contributing another Rs. 8 Crore towards COVID-19 relief projects in India. As a responsible corporate, we will continue to stand by the nation in various capacities in this hour of need. On that note, I must also take this opportunity to thank our teams for the following measures:

- Adani Foundation contributed ₹ 5 Crore to the Gujarat CM-Relief Fund and ₹ 1 Crore to the Maharashtra CM Relief Fund; we have also contributed to Kattupalli District Collector COVID-19 Fund and the Bhadra District Administration.
- The Foundation is also contributing to the CM-Relief Funds of many other states such as Kerala, Jharkhand, Andhra Pradesh.
- Women cooperatives aided by Adani Saksham produced more than 1.2 lakh masks to help economically disadvantaged sections of the population.
- Gujarat Adani Institute of Medical Sciences (GAIMS) is the only hospital equipped for handling COVID-19 cases in Kutch, India's largest district.

In times such as this the spirit and compassion of our people reinstates my belief in our core philosophy of Growth with Goodness. Let all of us contribute to help our nation rise above this crisis. It may take time but there is ample optimism to show that it is possible.

Together, we will stay resilient and hopeful in these testing times.

Regards,

**Gautam Adani**

Chairman, Adani Group Board

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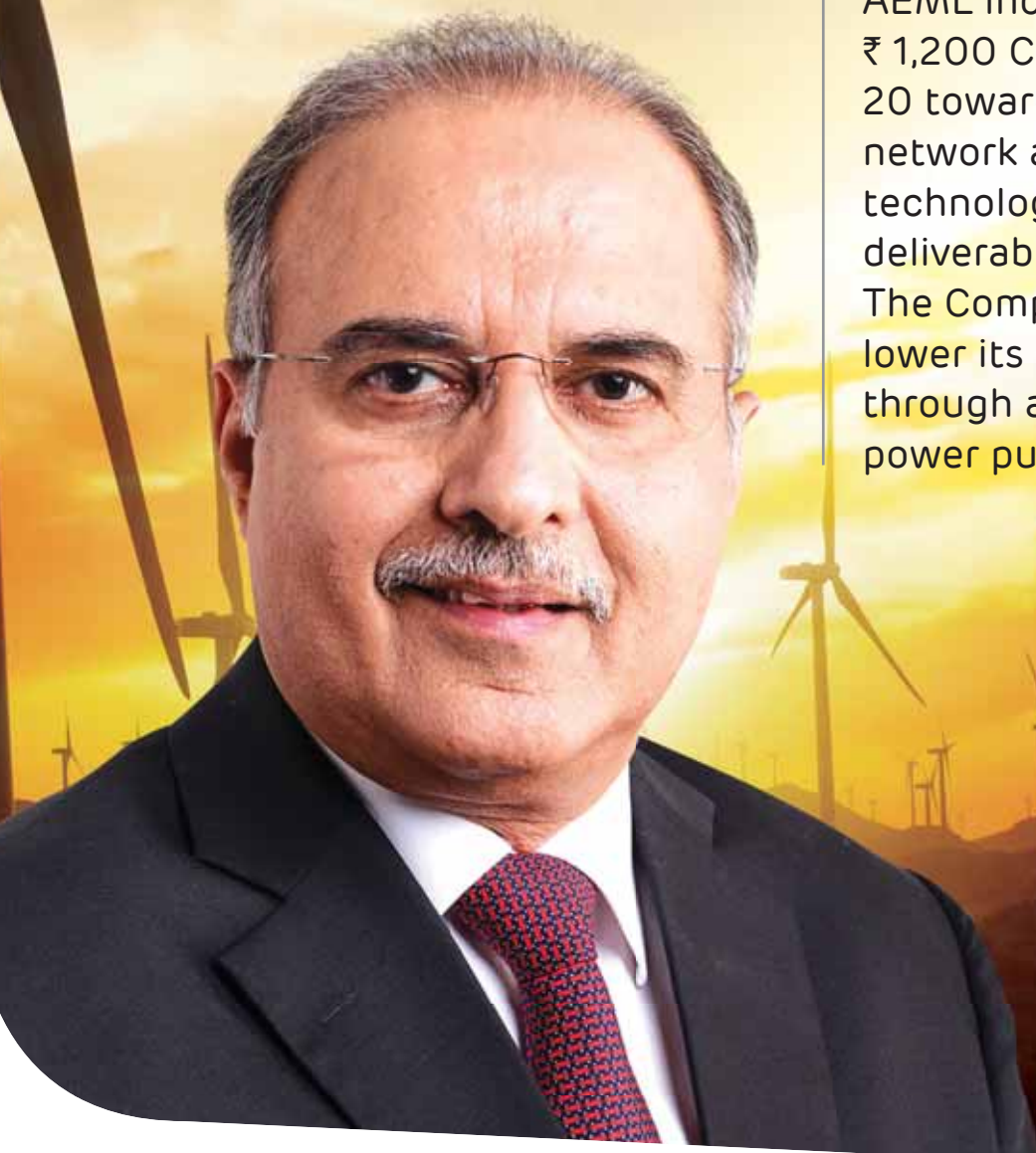
## THE BOARD CHAIRMAN'S MESSAGE

### Dear Shareholders,

It gives me great pleasure to inform you that in the first full year of operations i.e. FY 2019-20, AEML team continued its efforts towards integration and becoming a more responsible and sustainable enterprise.

AEML incurred a CAPEX of ₹ 1,200 Crore during FY 2019-20 towards modernization of network and deployment of technology for enhancing its deliverables to consumers.

The Company also managed to lower its input bulk power costs through appropriate choice of power purchase.



Agreements (PPAs) that led to a positive correction of load – curve with power sourcing. AEML also completed its capital management program through US dollar bond issuance during the year and brought on board, a marquee partner – Qatar Investment Authority (QIA) – through a 25.1% equity stake, with a contribution towards the sub-ordinated debt. This has helped deleverage the balance sheet and also ensured future proofing from any sort of fund shortage that may arise. AEML, through its CAPEX plan is poised to emerge as a benchmarked distribution utility.

The Company's management remains optimistic about the future, in our steadfast commitment to all facets of ESG, including migration of electrons, as we move from traditional power to renewable energy in a significant way.

### Economic environment

The Indian economy performed better when viewed against the developing and developed economies amidst uncertain externalities. The said performance can be accredited to the Government and central bank's proactive response

prompting: a tax and interest rate cut, a USD 20+ billion-dollar package, an increased import duty and opting out of RCEP deal. These measures helped create a base to tackle unprecedented externalities. Further, favourable crude oil prices also augured well for the economy. Going ahead, given the current scenario in the aftermath of COVID-19, it would be challenging to comment on the economy's short-term growth. However, looking at the long-term prospects, backed with solid fundamentals waiting to be unlocked, our economy is primed to grow well towards its USD 5 trillion-goal.

### Pool of talents

Our employees are our greatest asset and nurturing them is a priority. Our employees interact with consumers with respect to network and associated commercial services. Keeping this in mind, we regularly update our employees and associates on the evolving technological aspects and help their softer skill development. Adani Electricity Management Institute organizes training and leadership programmes for continual improvement of skills. A special AEML initiative of 'Desktop Yoga' workshop finds a worthy mention. It acts

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The Indian economy performed better when viewed against the developing and developed economies amidst uncertain externalities.  
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as a stress reliever and helps improve our employees' sitting posture at work. AEML also has an in-house platform named 'Maddhayam'. This medium encourages innovative idea-sharing between employees to seek solutions to issues. This inclusive approach plays a vital role in promoting smooth operations, supports continual learning and ensures ongoing rhythm of success. I am thankful to all the employees for their willingness and commitment to strive for the best. I would also like to thank families of all employees for supporting them in their quest to execute their responsibilities.

### **Safety**

Safety is an integral part of the Adani work culture. During the year, AEML successfully applied behaviour-based safety initiatives. This included conducting regular safety audits, awareness campaigns, training and risk identification and assessment programmes. The outcome of these initiatives resulted in carrying out safe operations across Mumbai and at Dahanu with the least number of lost time injuries and no fatalities.

### **COVID-19**

Since the end of the current financial year and even afterwards, the world has been witnessing a serious, global pandemic due to the spread of deadly novel Coronavirus. This has put life and associated economic activities completely out of gear. AEML and its management team is conscious of its responsibilities to ensure uninterrupted supply of electricity to all households and various essential services combating the activities related to prevention and cure of the virus. The lockdown conditions imposed by the Government has reduced the power demand of 25-30% currently. It only remains to be seen as to how long will it take to resume normalcy. AEML is fully geared to ensure its services even in the long-haul. We would wish all its consumers and community at large to remain safe and healthy as we go about serving our responsibilities of reliable power supply.

### **Embedding sustainability to drive our growth**

Sustainability and energy management, at the corporate level and with consumers, is

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**Safety is an integral part of the Adani work culture. During the year, AEML successfully applied behaviour-based safety initiatives.**

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**>20** Years

Average experience  
of employees

**16,588** Manhours

Safety training given to  
workforce

a key priority for AEML. The installation of environment-friendly appliances and solar generators at various locations has helped improve energy efficiency, leading to cost optimisation and creation of shared value for all. Besides, the waste disposal and replacement of old oil type switchgear with the dry type, has also led to a reduction in carbon footprints. Moreover, AEML's Corporate Social Responsibility (CSR) commitment continues to strengthen its sustainable social connect. We ensure the well-being of the communities through three broadly categorised pillars:

- Sustainable living
- Skill development
- Community engagement

### On a Closing Note

On behalf of the Board, I would like to express and extend my sincerest gratitude towards the AEML management team, led by Mr. Kandarp Patel. I congratulate them and the entire team on the progress and significant achievements through the year. I would also like to thank all the shareholders for their continued support and would extend my welcome to QIA for their investment and joining AEML's resolve to emerge as

a global benchmark utility. As AEML strides forward, we will continue undertaking and accomplishing initiatives that shall help enhance the quality of services to its consumers and improve the quality of life of the communities that we engage with. We, as a Company, will continue to leverage the broad opportunity landscape that is visible in front of us.

Sincerely,

**Anil Sardana**  
Chairman, AEML

## MESSAGE FROM THE CEO

**Dear Shareholders,**

I would like to express my sincerest gratitude for your endless support and interest in AEML. Throughout the past year, we have, yet again, tirelessly striven to deliver pleasing results. Our performance was largely attributed to the implementation of our strategic objectives and thus, enabled us to generate growth.



The Indian economy faced headwinds underpinned by weakened economic activity impeded by worsening consumer sentiments, tight liquidity conditions as well as the Coronavirus (COVID-19) outbreak. The GDP is anticipated to grow by 2.5% for the Calendar Year 2020 (which is much lower than the previous estimates) owing to the continuing impact of the Coronavirus pandemic. The numerous policy measures undertaken by the Reserve Bank of India (RBI) and Government include a reduction in corporate tax, restructuring of the financial sector and lowered interest rates. All these measures are expected to revitalize the economic growth in the next fiscal.

India is the third-largest producer and consumer of electricity in the world, with a total power generation of 113.20 BU in January 2020. The power sector is undergoing a significant transformation over the last few years to ensure procurement of power from clean and sustainable sources. Renewable energy is rapidly growing as a major power source. With an aggregate investment of USD 90 billion towards clean energy generation, India is currently ranked sixth globally. Further, the Government's emphasis on attaining 'Power for all' has accelerated the pace of capacity addition in the country, in turn, broadening the industry outlook. Besides, a relatively sustained economic growth momentum shall continue to drive electricity demand.

We are well-positioned to leverage these opportunities with strong capabilities built over the years and provide a value proposition to our consumers. Our corporate strategic framework is channelled around providing the highest standards of customer service, through a focus on three fundamentals that guide our actions and enable us to measure success. It entails ensuring a sustainable, reliable and affordable power supply.

Sustainability refers to the commitment to raise the share of renewable power procurement from the current 3% to 30% till 2023 and 50% till 2025. To ensure sustainability throughout the organisation, we have undertaken the following initiatives:

- Entered into a PPA of 700 MW for hybrid power (solar + wind) with minimum guaranteed CUF of 50%
- Use of environment-friendly dry and ester oil transformers
- Replaced oil-type switch gears with dry-type maintenance-free switch gears
- Reduced carbon footprint by using LED lamps for streetlights

Reliability refers to a reliable supply through a continuous CAPEX cycle. This will help add value to our consumers. The investments made are targeted towards:

- Ensuring asset hardening and modernization
- Investing in modern O&M practices, ensuring lower SAIDI and SAIFI
- Protecting against outages due to adverse events

Affordability refers to our objective of providing affordable tariff for 12 million consumers. The measures undertaken comprise:

- Procurement of 700 MW hybrid power at ₹ 3.24 per unit for 25 years for new fixed tariff PPA
- Saving on short term power requirement and thereby reducing the overall power purchase cost
- Smoothing of FAC resulting in tariff stability for consumers

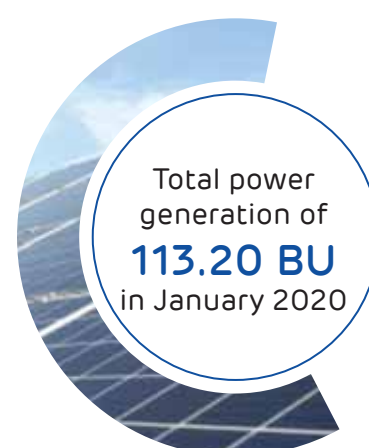
We have aligned and strengthened all our business strategies on the foundation of ethical and transparent business operations. We continue to follow the highest standards of corporate governance and consider it more of an ethical requisite than a regulatory

India is the third-largest producer and consumer of electricity in the world, with a total power generation of 113.20 BU in January 2020.

necessity. It is a matter of great pride that our success over the years has come without ever compromising on integrity or environmental and social obligations.

Going forward, the economy is likely to be marred by uncertainties in the coming financial year. While it gradually absorbs the impact of the Coronavirus pandemic, the slowdown in consumption could add to a fair bit of instability. However, I am equally certain of the Company's capabilities to scout for opportunities amidst this volatility and drive the business forward with temerity and resoluteness. Given these realities, we believe that the Company has an optimistic future, expecting to enhance value for its entire stakeholder ecosystem.

Yours sincerely,  
**Kandarp Patel**  
Managing Director & CEO





## MESSAGE FROM THE CFO

**Dear Investors,**

"In our pursuit of excellence, we have diligently moved ahead keeping our values in mind. Every challenge is viewed in the light of an opportunity to get better. We have swiftly navigated through the business cycle while accelerating our expansion in the right direction"



I am delighted to present, on behalf of the Board of Directors, the second annual report of Adani Electricity Mumbai Limited. As we advance in our journey, I express heartfelt gratitude towards our stakeholders for their continued support and faith vested in the Company's potential. This Report highlights the organization's performance, cost activities and strategies that drive its efficiency, underlining the Company's progress in FY 2019-20.

During the year, Qatar Investment Authority (QIA) completed the acquisition of 25.10% stake in Adani Electricity Mumbai Ltd (AEML) from ATL (Adani Transmission Ltd). Alongside, it also invested in AEML's shareholder subordinated debt on 10 February 2020. These funds are likely to help provide growth equity to the business to fund our CAPEX plans while deleveraging the balance sheet. We have already earmarked a CAPEX of ₹ 1,200 Crore for maintenance, up gradation of the existing distribution network and capital addition.

AEML successfully completed an investment grade, USD 1 billion bond issuance. This was a first by a private integrated utility from India. The issue was highly oversubscribed and generated significant interest from international investors. This issuance was majorly undertaken for refinancing the existing Domestic debt. The bond issued is in nature of Bullet repayment after a tenure of 10 years which has helped in freeing the required cash flow for Asset hardening and maintaining Regulated Asset Base of the business.

FY 2019-20 turned out a progressive year, as the Company continued to expand and move in the right direction. However, towards the end of the financial year, the Company's revenue took a slight dip as COVID-19 forced the whole nation into a temporary lockdown. But overall, strong growth was witnessed in the business. The dip in the revenue was mainly due to a reduction in power purchase cost of the business. This reduction demonstrates and strengthens the Company's motto of providing power at an affordable rate to the consumers of Mumbai.

With a long-term objective of supplying power to Mumbai at more affordable and economical rates, the Company is exploring various inorganic routes. A potential tie-up with a hybrid source is being explored for renewable power supply. I am happy to announce that a 700-MW wind-solar hybrid project in Maharashtra was approved by the Maharashtra Electricity Regulatory Commission (MERC). The plant will sell power at a fixed tariff of ₹ 3.24 per kWh over a period of 25 years. The Power Purchase Agreement (PPA) is tied to a minimum capacity utilization factor (CUF) requirement of 50%.

As an asset-heavy Company, various cost-effective initiatives were considered and implemented to enhance efficiency, productivity and optimize manufacturing costs. Major initiatives planned are listed below:

1. Implementation of Advanced Distribution Management System (ADMS) to study:
  - Network connectivity/reconfiguration
  - Load flow
  - Fault isolation/restoration
  - Loading optimization for reducing loss
2. Replacement of all 33 kV and 11 kV PILC cable network with XLPE cables of higher sizes
3. Replacement of Oil Type Ring Main Units (RMUs) with Maintenance-free dry type RMUs (SF<sub>6</sub>, vacuum)
4. Implementation of Smart Metering
5. Implementation of Substation Equipment Parameters Monitoring System
6. Installation of Theft Aversion Boxes (TAB) at Service Positions and Theft Proof LT Pillars (TPP) in theft-prone areas

### Conversion to Smart Meters

AEML-D has already shared the plans with MERC for converting existing meters into Smart Meters in a phased manner, adoption of digital payments and outsourcing for efficiency enhancement. Upgradation of consumer meters to Smart Meters will improve the accuracy in billing

**AEML successfully completed an investment grade, USD 1 billion bond issuance. This was a first by a private integrated utility from India.**

through minimization of human interface. This will also enable online recording of the energy consumption and facilitate the information to consumers on a real-time basis. This will also help in proper utilisation of network by

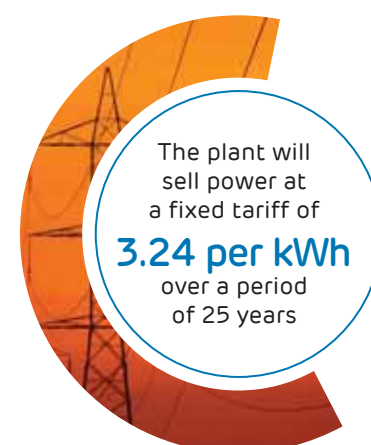
- Encouraging more efficient use of power resources
- Providing responsive data for balancing electric loads while reducing blackouts
- Enabling dynamic pricing

Majority of the steps taken by the Company are to attain a common goal of improved margins and optimized operational cost in the most sustainable way. Various modes of payment and engagement platforms were established to enhance the quality of service and efficiently connect with our stakeholders.

Best wishes,

**Rakesh Tiwary**

Chief Financial Officer, AEML



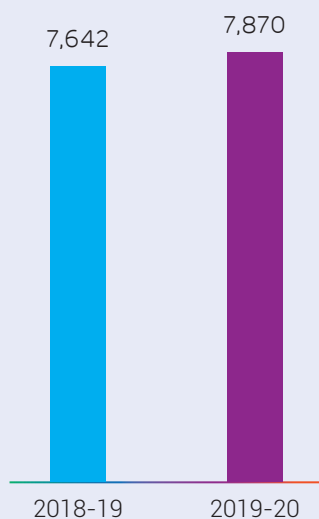


# PERFORMANCE HIGHLIGHTS



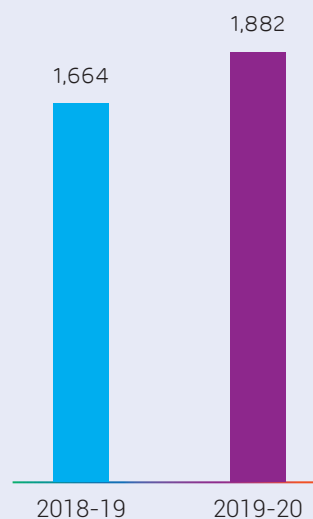
### Revenue

(₹ Crore)



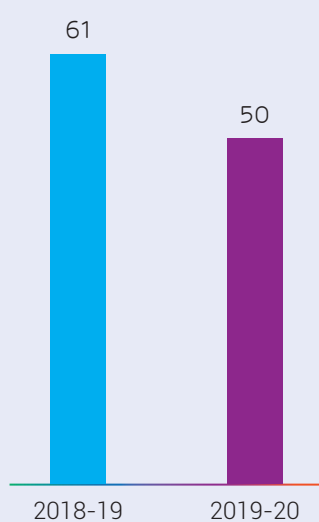
### EBITDA

(₹ Crore)



### PAT

(₹ Crore)



# STAKEHOLDER ENGAGEMENT



Stakeholder engagement forms a crucial part at AEML. It also underpins our external advocacy and joint working with governments, NGOs and others, to achieve 'transformational change' – that is, fundamental change to whole systems, not simply incremental improvements.

To succeed in our purpose of making sustainable living commonplace, we need to engage and work in partnership with a wide range of stakeholders. These include NGOs, investors, consumers, suppliers, governments and regulators, and other businesses through trade associations.

Our biennial materiality assessment helps us to understand which issues are important to the business and our stakeholders, and therefore where and how to focus our engagement. By defining the needs and interests of our stakeholders, we can also evolve our strategy to better meet their expectations and focus our reporting on the issues that they care about.

## Key stakeholders



Stakeholder expectations	Mode of engagement and communication
<b>Investors, Financial Institutions and Auditors</b>	
<ul style="list-style-type: none"><li>• Compliance with laws and regulatory requirements</li><li>• Return on investment</li><li>• Timely interest and debt repayment</li><li>• Social and environment performance</li><li>• Corporate governance</li><li>• Timely communication</li></ul>	<ul style="list-style-type: none"><li>• Annual Reports</li><li>• Annual General Meetings</li></ul>

## Stakeholder expectations

## Mode of engagement and communication



### Employees

<ul style="list-style-type: none"> <li>• Respect and dignity</li> <li>• Non-discrimination and fair treatment</li> <li>• Talent management, learning and skill development</li> <li>• Career planning and growth</li> <li>• Work-life balance</li> <li>• Work environment</li> <li>• Health and safety</li> <li>• Fair remuneration, job clarity and job security</li> <li>• Grievance redressal</li> <li>• Proactive communication</li> <li>• Ethical behaviour</li> </ul>	<ul style="list-style-type: none"> <li>• Performance appraisal</li> <li>• Newsletters</li> <li>• HR online surveys</li> <li>• Emails</li> <li>• Town hall/open-house meetings</li> <li>• Health, Safety and Environment (HSE) committee meetings and safety alerts</li> <li>• Apex meetings</li> <li>• Policy communication</li> <li>• Portal/intranet</li> <li>• Family get-togethers</li> <li>• Co-created HR policy</li> <li>• HR connect</li> <li>• Open-door policy</li> <li>• Online survey</li> </ul>
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### Consumers

<ul style="list-style-type: none"> <li>• Compliance with regulatory requirements</li> <li>• Grievance redressal</li> <li>• System availability</li> <li>• Uninterrupted power supply</li> <li>• Safe product</li> </ul>	<ul style="list-style-type: none"> <li>• Emails</li> <li>• In-person meetings/letters</li> <li>• Telephone calls</li> <li>• Progress and performance reports</li> <li>• Feedback call from the CEO's office</li> <li>• 24X7 call centre</li> <li>• Chatbot</li> </ul>
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### Governments, Local Administration and Statutory and Regulatory Authorities

<ul style="list-style-type: none"> <li>• Compliance and taxes</li> <li>• Timely responses to queries</li> <li>• Anti-corruption</li> <li>• Disaster and relief management</li> <li>• System reliability</li> <li>• CSR</li> </ul>	<ul style="list-style-type: none"> <li>• Emails</li> <li>• In-person meetings/letters</li> <li>• Telephone calls</li> <li>• Petitions</li> <li>• Feedback call from the CEO's office</li> <li>• Accident incident reports</li> <li>• Returns under applicable laws</li> </ul>
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### Local Communities, NGOs and General Public

<ul style="list-style-type: none"> <li>• Social need identification and community welfare</li> <li>• Grievance redressal</li> <li>• Fair process and evaluation of any losses and compensation</li> <li>• Proactive communication</li> <li>• Environmental protection and non-pollution</li> <li>• Indigenous rights</li> <li>• Emergency response and disaster management</li> </ul>	<ul style="list-style-type: none"> <li>• Community engagement and local community meetings</li> <li>• Newspapers and CSR volunteers</li> <li>• Hoardings</li> <li>• One-on-one meetings with farmers</li> <li>• Gram Panchayat/Gram Sabha</li> <li>• Sustainability reports</li> <li>• Focused group discussion</li> </ul>
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# LEADING THE PACK




**COMPETING SUCCESSFULLY IN TODAY'S MARKETS  
IS ABOUT PROVIDING EXCELLENT SERVICE AND  
EXPERIENCES TO THE CONSUMERS AND REACHING  
OUT FOR THE THINGS THAT MATTER TO THEM.**




Consumers insist and expect their electricity providers to be reliable. They command easy accessibility and assistance when they need it the most. Consumers prefer dealing with companies that are transparent and even good corporate citizens. All this adds to what our energy consumers perceive as value for money – companies that resonate with their personal values and at the same time, deliver a great customer experience.

## CONVENIENCE AT FINGERTIPS




### Multiple Payment Gateways

Bill Desk  
PayTM




### E-wallet Presence

PayTM wallet  
Freecharge  
Mobikwik  
PayZapp by HDFC




### UPI Payment Avenues

GPay  
AmazonPay  
BHIM




### Payment Platforms

Website  
Mobile App  
Scan to Pay  
Payment Kiosks



### Genius Pay (Bill Payment Kiosk)



1. Payment via Cash/Cheque/Cards
2. Duplicate Bill Printing
3. Extended Operating Hours from 7 AM to 11 PM



### Interactive Mobile App and Website

1. Elektra Digital Assistant on Website
2. Mobile App
  - Complaints registration and supply related status
  - Billing payment information and history

## CO-CREATING EXPERIENCES

 <b>WhatsApp</b> <ul style="list-style-type: none"> <li>• Live on WhatsApp via a verified business account (Mobile No.: +91 9594519122)</li> <li>• First electricity utility in the country to offer chat-bot services over the platform</li> <li>• Explicit permission sought from consumers to start the service</li> <li>• Approx. 20,000 consumers registered over WhatsApp to get alerts for:</li> </ul>	<ul style="list-style-type: none"> <li>• Disconnection notices</li> <li>• E-bills (for premium and high-value consumers)</li> <li>• Complaint registration in case of no power supply</li> <li>• Bill copy request</li> </ul>
	 <b>Call centers</b> <ul style="list-style-type: none"> <li>• 2 BPOs with 24X7 support (Karvy &amp; One-Point-One)</li> <li>• Avaya IVR with network redundancy</li> </ul>

# FOCUSING ON WHAT'S IMPORTANT



**PLANNING FOR EVOLUTIONARY CONDITIONS IS  
IMPERATIVE TO CONSISTENTLY DELIVER ENERGY TO  
OUR CONSUMERS AND EXPANSION IN GREEN SPACE  
IS NEED OF THE HOUR.**

Aware of these trends, Adani Electricity has rightly identified its path forward and is making a mark in the value chain. The Company believes green electrification of the economy is the key for accelerating the energy transition; and it is possible due to the advancement of clean generation technologies, smart grids and energy storage. Adani Electricity aims to make the most of these opportunities and maintain affordable tariff for its 12 million consumers. It further plans to procure and meet 700 MW of its total power demand from a hybrid source — wind and solar, starting from the fiscal 2022 for a period of 25 years.

### This shall help:

Save on short term power requirements

Reduce overall power purchase cost

Smoothen FAC

Ensure tariff stability for consumers

# 3%

CONSUMPTION FROM  
RENEWABLE SOURCES

## Environmentally Compliant Generation at ADTPS

# 100%

FLY ASH UTILISATION

# 95%

DECARBONISATION CAPEX  
AT AEML IN FY 2019-20

# FGD

FIRST FGD INSTALLED IN INDIA

# Washed Coal

100% MIX OF HIGHER QUALITY  
AND CLEANER WASHED COAL



## Transmission and Distribution

**Ester** Natural ester  
filled transformers

**Switchgears** Oil-type switchgears  
replaced by dry-type maintenance-  
free switchgears

**LED** Lamps for energy  
efficient streetlights



# IMPROVING FROM WITHIN

REMAINING COGNIZANT TO THE TRUE PURPOSE OF OUR BUSINESS, WE HAVE ALWAYS STRIVEN TO CAPITALIZE ON OUR STRENGTHS AND OVERCOME OUR WEAKNESSES THROUGH A DISCIPLINED APPROACH, THEREBY ENSURING CONTINUOUS IMPROVEMENT.





### a. Major initiatives planned are listed below

- Implementation of Advanced Distribution Management System (ADMS), which shall study:
  - Network connectivity/reconfiguration
  - Load flow
  - Fault isolation/restoration
  - Loading optimization for reducing loss
- Replacement of all 33kV and 11kV PILC cable network with XLPE cables of higher sizes
- Replacement of Oil Type Ring Main Units (RMUs) with maintenance-free dry type RMUs (SF6, vacuum)
- Implementation of Smart Metering
- Implementation of Substation Equipment Parameters Monitoring System
- Installation of Theft Aversion Boxes (TAB) at Service Positions and Theft Proof LT Pillars (TPP) in theft-prone areas

### b. Conversion to Smart Meters

- AEML-D has already shared their plans with MERC to convert existing meters into Smart Meters in a phased manner,

adopt digital payment methods and outsource for efficiency enhancement.

- Upgradation to Smart Meters will improve the accuracy in billing with minimal human interface.
- This will also enable online recording of the energy consumption and enable provision of information to consumers on a real-time basis.

### c. SMSes to consumers

- A system for information through messages to the consumer is under process.
- The Committee observed that the Licensees have the mechanism to detect abnormal meter readings either at the time of manual meter reading or at the time of generation of energy bills. Distribution Licenses can proactively detect any abnormal power consumption in a particular month (for instance, if the meter records two times or three times the average consumption). Furthermore, it could also lead to lower consumer grievances on excess billing, if the results of such tests are shared with the consumer by way of a message on the immediate ensuing bill.

### d. Test of Design (ToD)

- Management Audit team performed ToD through enquiry procedure with process owner to understand the change in process/controls if any, and accordingly updated the flowchart and control matrix.
- Respective Process Owner confirmed updated process and controls

### e. Test of Operating Effectiveness (TOE)

- Management Audit team along with respective Process Owners tested controls based on samples guidelines as per ICAI
- Observations noted were discussed with respective process owners for closing the same.
- No observations were noted with financial implication. Only transaction/process related observation were noted for which corrective actions have been taken.



# FUTURE OF ENERGY



**CLEAN ENERGY FOR A FAIRER AND HEALTHIER  
WORLD EMBODIES THE CORE VALUES AND THE  
BEHAVIOURS THAT LIE AT THE HEART OF ADANI  
ELECTRICITY'S CULTURE.**

## Social Expectations and Needs

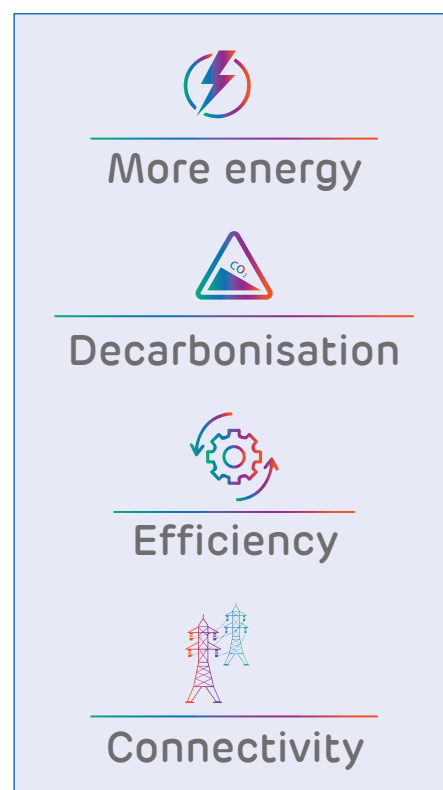
Social progress involves our expectations and needs, which affect the energy sector. At Adani Electricity, we consider the following, as the associated trends prevailing in the sector:

- a sustained increase in demand for energy over time
- the need for decarbonisation of energy and the economy as a whole
- greater attention to the efficiency of supply activities
- greater connectivity, which influences relations with all stakeholders, especially consumers

## Initiatives Towards Reduction of Carbon Footprint

### Renewable Power

- Targeted 30% of consumption from renewable sources
- Committed to increasing share of renewable power procurement from current 3% to 30% by FY 2022-23 and 50% by FY 2024-25
- AEML has tied up a hybrid (solar+wind) 700 MW PPA



# 11%

India's expected share of global energy consumption in 2040

# 58%

Share of coal in India's power generation mix

# 116%+

Growth in India's net CO<sub>2</sub> emissions by 2040

Source:BP Energy Outlook – 2019

## EV Charging: Building a Closed Loop Infrastructure

Recent concerns regarding pollution due to transportation and fossil fuel depletion, has made it indispensable to develop alternative fuel cars. Vehicle (EVs) adoption in India is set to expand due to regulatory pressures of switching to cleaner fuels. We welcomed Government of India's move and proactively invested in six EVs to carry out its local activities. Development of charging stations was of paramount importance to fuel these cars. Therefore, setting up of EV charging infrastructure was conceived in a multi-objective framework considering the ease of access, grid load and unrestricted power supply. While these stations helped us address our own needs, infrastructure was also made available for public use.

**Eight stations accessible to both public and AEML were set-up across the city:**

MIDC, Andheri office (AC Slow Charger Type-2)

Kalanagar R/s (BKC) (DC Fast Charger with Bharat DC-001)

AEML (DC Fast Charger with Bharat DC-001 & AC Slow Charger with Bharat AC-001)

Devidas Lane (EV Charger installed inside office premises)

# SUSTAINABILITY AT THE CORE



## Care for Planet Earth

- Reducing carbon footprint, 1/3rd procurement from renewable sources by 2022
- Most environmentally friendly thermal plant (Dahanu)

## Care for Society

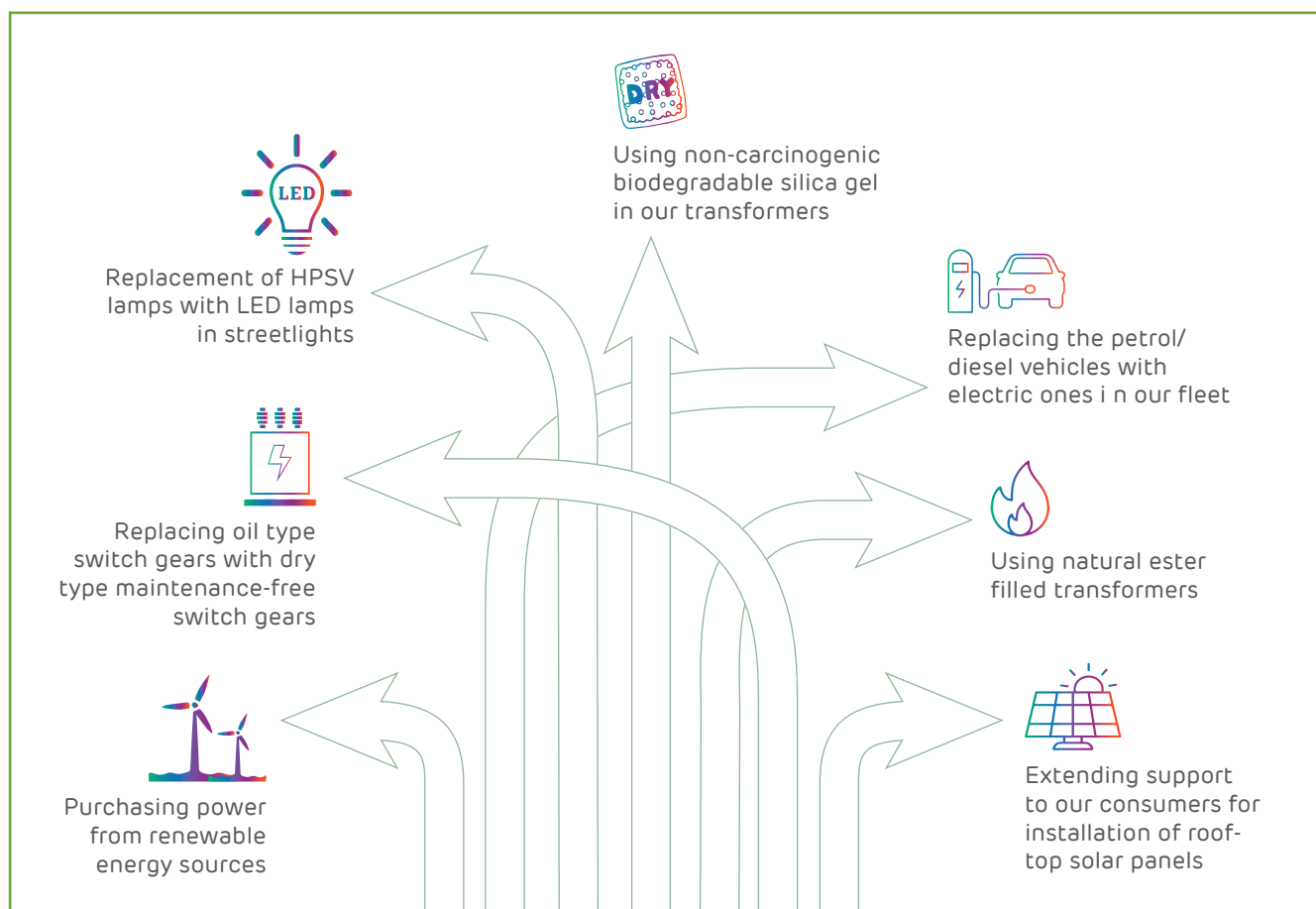
- Providing high quality of reliable power supply to insulate Mumbai from external grid issues
- Invest significantly towards network strengthening and increasing reliability of supply

## Care for Stakeholders

- Safety for consumers and employees at the core by maintaining high corporate governance standards
- Focus on social initiatives to support communities



We are committed to achieving excellence in environmental performance, preservation and promotion to achieve a clean and healthy environment. We actively encourage various stakeholders such as our consumers, business partners, suppliers and contractors to contribute towards these practices. Our initiatives under the realm of environment-preservation have been outlined as under:



## Quality, Environment and Health & Safety

Adani Electricity believes in maintaining and nurturing the entire ecosystem that it caters. To safeguard the environment and avoid contamination, we have undertaken various waste management policies. We have also obtained appropriate licenses for the handling of various hazardous wastes and always ensure due compliance with all environmental regulations while dealing with such wastes. As a part of our commitment towards environmental protection, we regularly conduct tree plantation drives. We have also constantly implemented energy conservation measures such as nano molecular thermo conductive additive

treatment for our air-conditioning system which has been certified by the Electrical Research and Development Association, Vadodara (ERDA), replacement of conventional T8 tube lights and sodium vapor lights with LED lights.

### Electric Vehicle and Charging Station

AEML has deployed 6 electric EVs, 1 E-Verito (Sedan) and 5 e-Supro (passenger vehicle) to carry out its network management activities since 2018. We have set up EV Charging Points at 8 strategic office locations for our fleet.

AEML will only provide electricity supply to EV Charging Stations in

its power distribution area. The Company has tied up with Mass-Tech Controls for owning and operating the Public EV Charging Station in MIDC (Andheri), Kalanagar Receiving Station (BKC) and Adani Electricity Management Institute (SEEPZ Mass-Tech Controls and Charge Zone have installed 150 KW EV Charger for Electric Bus at the Khatau mill compound, Borivali East.

### Future Plan

Strategic tie-up with EV manufacturers, such as Mahindra, Hyundai and MG Motors, and with EV cab aggregators, such as Glyd and Meru Cabs, for electricity supply to their EV Charging Station in the AEML area.

## ENVIRONMENT PERFORMANCE

We are committed to achieving excellence in environmental performance, preservation and promotion in order to achieve a clean and healthy environment. We have received the MERC approval for procurement of 700 MW hybrid (wind and solar) power from fiscal year 2022 onwards for 25 years at Rs. 3.24 per unit with a guaranteed CUF of 50%. We expect this to result in a growth of approximately 12% in our renewable power procurement in accordance with the Paris Agreement.

We commissioned the FGD unit at ADTPS in the year 2007 and this generation plant is already

compliant with the revised norms issued by MoEF in 2015. As per the implementation plan prepared by Central Electricity Authority (CEA), other thermal power plants in India are required to comply with the new emission standards by the year 2022 by installing FGD systems. ADTPS has also maintained four online ambient air quality stations, two sewage treatments for plant and colony, maintaining more than 33% of open land under green belt. Based on its environmentally friendly initiatives, ADTPS has outperformed on all the environmental parameters prescribed by MoEF for thermal power plants in India.

PARTICULARS	TPM (mg/Nm <sup>3</sup> )	Sox (mg/Nm <sup>3</sup> )	NOX (mg/Nm <sup>3</sup> )	Mercury (mg/Nm <sup>3</sup> )
<b>India (MOEF) Standards:</b>				
Units < 500 MW Capacity	100	600	600	NA
Units > 500 MW Capacity	100	200	600	0.03
ADTPS Achievements	44.1	105.1	303.9	0.004

TPM: Total Particulate Matter

SOx: Sulfur Oxides

NOx: Nitrogen Oxides

## SAFETY PERFORMANCE

We conduct Energy Efficiency and Energy Conservation sessions which have been attended by approximately 35,700 participants. Also, every year, we celebrate World Environment Day (June), Coastal Clean-up Day (September) and Energy Conservation Week (December).

- We have also implemented Environment, Occupational Health and Safety (EHS) management systems to provide and maintain an accident-free and healthy workplace.
- We are also committed to ensuring the health and safety of our employees by providing and maintaining an accident-free and healthy workplace through implementation of EHS management systems in order to minimize health and safety hazards.
- We proactively monitor the EHS management systems, integrate EHS procedures and best practices into our operations, conduct IER/HERA review on regular basis also conduct EHS training activities, like mock drill, emergency preparedness plan, medical/health check-up for employees and undertake periodic reviews of standard operating procedures in order to mitigate health and safety risks.

- We have documented a Disaster Management Plan in order to ensure the safety of life and protection of property with minimum disruption of power.
- We regularly invest in disaster management equipment such as owned and leased mobile generation sets, increasing the height of our substations to ground plus one and power rubber boats to be used during water logging.

Below is a snapshot of electrical incidences including fatalities over last three years.

Particulars	Year ended March 31		
	2018	2019	2020
Fatal-Electrical	1	1	0
Fatal-Other	0	1	0
Reportable-Other	26	75	48

In order to support sustainable business operations, we have been a pioneer in adoption of O&M best practices and new technologies. We aim to strengthen our existing network and augment our capabilities through timely capex in order to provide reliable power supply to our consumers. Further, we are an integral part of Mumbai's islanding scheme which has helped us serve our consumers even amidst external grid disturbances.



# SUSTAINABLE POWER PURCHASE MIX

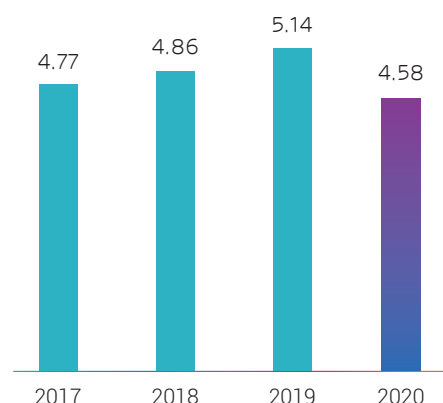
With an overarching philosophy of providing affordable and sustainable power supply, we continuously strive to reduce our power purchase costs and optimize our sources of power supply. We source our power requirement through various power purchase agreements in addition to our embedded generation of 500 MW sourced from Adani Dahanu Thermal Power Station (ADTPS).

- Any shortfall after taking into consideration the availability of long-term sources is purchased from the short-term market, like the bilateral market (through an e-bidding portal of the Ministry of Power, Government of India) and power exchanges.
- We also have proprietary membership of power exchanges such as Indian Energy Exchange Limited (IEX) and Power Exchange India Limited (PXIL) and based on our requirement, we purchase electricity from IEX. There is sufficient availability of power on such exchanges with sellers offering more than 8,000 MW per day.
- Bilateral purchases are secured through the e-bidding portal to make firm arrangements for the upcoming month or quarter.
- We engage in banking of power, wherein power is banked with another utility to be used when demand is high and returned when the demand is lower.
- We have a standby facility with Maharashtra State Electricity Distribution Limited (MSEDCL) in the event of any scheduled or unscheduled outages to ensure reliability of supply to our consumers in Mumbai.
- With a commitment towards sustainability, we have issued a letter of award to Rosepetal Solar Energy Private Limited for procurement of 700 MW grid connected wind and solar hybrid power through a unique structure for optimization of grid downtime, with guaranteed CUF of 50% on a long term basis of 25 years at Rs. 3.24 per unit (lower than the historical power purchase cost as shown below). We intend to keep contracting power from renewable

sources to achieve environmental sustainability as well as non-escalable power tariffs. In line with our commitment to provide affordable power, we have reduced our power purchase cost by 10.67% during the nine month period from April 1, 2019 to December 31, 2019, as compared to the nine month period from April 1, 2018 to December 31, 2018.



**Average Power Procurement Cost**  
(INR/unit)

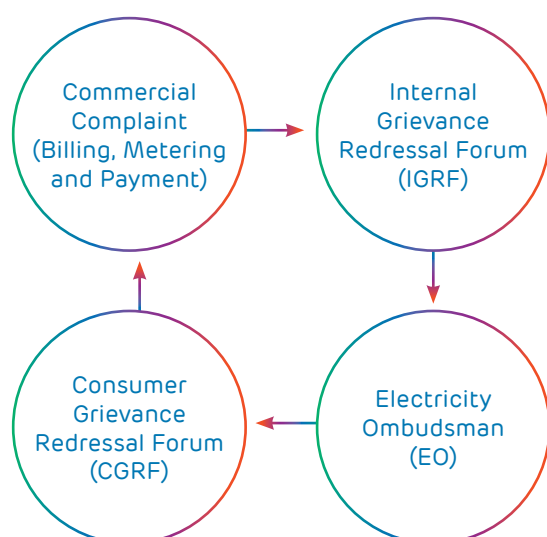


# CUSTOMER GRIEVANCES AND REDRESSAL

Consumer Feedback and Grievance Mechanism Complaints received are classified under two categories:

## 1. Commercial complaints

We follow a well-defined process for consumer grievance redressal:



Particulars	The MERC TAT	AEML TAT
Network Complaint	3 hours	90 minutes
Commercial Complaints (billing, metering and payments)	30 days	15 days
Internal Grievance Redressal Forum	60 days	45 days
Consumer Grievance Redressal Forum	60 days	60 days
Electricity Ombudsman	60 days	NA

## 2. Technical Complaints

There were a total of 716,753 technical complaints for the financial year ended March 31, 2019. All of these complaints were resolved with a maximum TAT of 1.5 hours against the prescribed benchmark of 3 hours.

Our consumers are segmented as industrial, commercial and residential, based on the purpose for which they use the power that we supply to them. More than half of our revenue from distribution of electricity is generated through industrial and commercial consumers. We also facilitate high reliability of power supply for premium and high-value consumers through focused service approach. These differentiated services include:

- Dedicated key account managers;
- Prioritized supply restoration services;
- SMS alerts to key stakeholders for monitoring supply interruptions of industrial and commercial consumers;
- Stringent TATs for addressing billing and meter related issues (stringent as compared to other segments as well as the SOP standards laid down by the regulator);
- Advisory and walk-through audit services;
- Automated meter reading;
- Customized and personalized 'My Account' which provides information pertaining to the key account manager, penalties levied and incentives earned; and
- Payment services for high value payments — RTGS using the eCMS technology.



## OUR EMPLOYEES

Our operations require highly skilled and experienced management and technical personnel. We have two training institutes located in Mumbai where behavioral and technical trainings are conducted. We offer our employees comprehensive ongoing training in order to increase their competence and capabilities with respect to transmission system operations. We have regular staff training sessions and performance enhancement programs to develop and improve competencies in our general workforce, particularly with respect to functional skills. We have also implemented a performance appraisal system which allows us to assess the performance of our employees.

A large number of our employees are members of labor unions. We maintain cordial relations with the labour unions and readily extend any benefits available under law ranging from working conditions to compensation related, to the unions from time to time.

We enter into contracts with independent contractors to complete specified assignments and these contractors are required to source the labor necessary to complete such assignments. We also depend on third party contract labor.

## MANAGEMENT CERTIFICATIONS

Recently, ADTPS underwent the second cycle of the "Perform, Achieve and Trade" (PAT) scheme, a market-based trading scheme, mandated under the Energy Conservation Act and administered by the Bureau of Energy Efficiency. This scheme aims to promote energy efficiency in industries by trading in Energy Saving Certificates (ESCerts) in energy-intensive sectors. Sid Exergy, an accredited energy auditor carried out the Monitoring and Verification (M&V) audit for ADTPS. They have recommended 8,749 ESCerts for the second cycle of PAT based on their audit and our achieved net heat rate. ADTPS similarly gained 4,591 ESCerts during the first cycle of PAT.

In addition to our existing management system certifications such as ISO 9001:2015, ISO 14001:2015, ISO 27001:2013, BS OHSAS 18001:2007, ISO 50001:2011 and SA 8000:2014, in 2013, ADTPS coal testing laboratory was also accredited for ISO 17025:2005 — Laboratory Management System by the National Accreditation Board of Laboratories. ADTPS was certified for ISO 55001:2014 — Asset Management on July 31, 2016. In 2019, ADTPS added

three more ISO certifications — ISO 22301:2012 (BCMS), ISO 27031:2011 (IRBCMS), ISO 26000:2010 (Social Responsibility).

Further, to monitor the environmental performance of ADTPS, a separate Environment Management Group (EMG) has been constituted as per the Ministry of Environment and Forests and Climate Change ("MoEF") guidelines. EMG is dedicated to ensuring all day-to-day compliance of consent conditions towards environmental protection. EMG also ensures environmental compliance as per the Central Pollution Control Board (CPCB) and MoEF, and DTEPA directions. EMG is also responsible for the circulation of the Statutory Authorities' environment related orders and liaises with the regulatory authorities such as MPCB, CPCB and DTEPA.





## RIGHT OF WAY AND LAND

As part of the construction process for our transmission lines, we are required to obtain right of way from landowners whose land our transmission lines will pass through. This process is regulated by the GoI and the relevant state governments.

Transmission and distribution connectivity in Mumbai System is mainly through an underground cable system passing through public roads and requires obtaining right of way permissions from authorities such as MCGM, MBMC, PWD Railway, NHAI, and MMRDA. We have a defined public consultation procedure to negotiate right of way for our transmission lines. Before construction of the transmission line begins, we publish a notification in the Official Gazette for a 60-day public consultation

period, during which any objections to the construction of the transmission line can be raised. Once we receive the relevant license, we can begin construction on the transmission line, regardless of whether the transmission line corridor passes through private property. We pay compensation to landowners for damage to property at the higher of the value under government regulation or market value. We also engage in corporate social responsibility activities in areas where we seek to obtain right of way for our transmission lines.

We also acquire land for our substations. We acquire land through direct purchase or lease of government or private properties.

## CSR & SOCIAL INITIATIVES

We are actively involved in various corporate social responsibility (CSR) activities and committed to sustainable socio-economic development. We intend to invest each year in furtherance of our CSR initiatives as per provisions of the Companies Act. As part of our CSR policy, we intend to focus on the development of the communities located in the vicinity of our business operations. We undertake CSR activities through the Adani Foundation with developmental projects in the core areas of primary education, primary health care, sustainable livelihood development and rural infrastructure development.

### In addition, we have taken the following initiatives:

- Tribal Development Program: We are in an association with NABARD covering 11 villages of Dahanu and 1,000 land-owning families to provide support for livelihood for landless laborers.
- Skill Development Program: From August 2015 until September 30, 2019, we had trained over 1,100 individuals in tailoring training programs of which 1,035 became employed in garments industry.
- Health Development: From April 2017 to March 2019, we collaborated with medical agencies such as M/s. Tiya Healthcare to provide medical checkup in local neighborhoods (surrounding villages of ADTPS) of Dahanu, free of charge and provide safe drinking water facilities.
- Education: In 2017, we constructed school buildings and provided e-learning kits to 31 government schools for 3,100 students in Dahanu Taluka.



### CSR at Adani Electricity is broadly recognized under four fields:

- Community Engagement
- Sustainable Livelihood
- Skill Development
- Swachhagraha + Safety

#### Project SAKSHAM

Project Saksham is aimed at providing needy and destitute women with skills to empower them with sustainable livelihood competencies. To be able to fulfil this motto, skill centres have been formed. These

skill centres offer multiple skill development options in addition to training and developing one's conduct, mannerisms and morality.

#### Development Skills

- Digital literacy
- Tailoring
- Nursing
- Meter reading
- Bill distribution
- Driving, Cooking
- E-commerce product delivery
- Call centers



## Meri Sangini

This program aims to create a cadre of women entrepreneurs who can become community leaders, or counselors and advisors to citizens on various topics like welfare, financial inclusion and women empowerment.

In association with Adani Electricity Mumbai Limited (AEML), the Adani Foundation launched a new project, Meri Sangini, Meri Margdarshika at a ceremony in Aarey Colony, Mumbai. The project aims to encourage and nurture women leaders from within the community, who then become change makers in their surroundings. Meri Sangini, Meri Margdarshika is being implemented on a pilot basis by the Adani Foundation, the CSR arm of the Adani Group, in partnership with Haqdarshak in Tilak Nagar and Aarey Colony in Mumbai. As a Sangini, the community volunteer is given knowledge and skills through trainings to act as a peer counsellor and advisor. Sanginis work on social issues like domestic violence, while acting as a bridge to connect the people with the Government agencies and schemes.



## Areas of capacity building for the Sanginis

- Access to Government schemes and documents by training them on Meri Sangini app
- **Prevention of Domestic Violence:** Training them on best practices for prevention of domestic violence so that they can pass on the knowledge to other women in the community
- **Health and Hygiene:** To educate women on their health and hygiene, at personal as well as community levels





## Swachhagraha + Safety

Aimed at building a culture of cleanliness and spreading awareness on safety, it also targets children as change agents to bring about behavioral and attitudinal change. Activities and programs under this initiative are executed through Swachhagraha dals and Preraks in schools.

The Adani Foundation is striving to create a culture of cleanliness across 19 states, by promoting personal hygiene and sanitation. With a team of more than 1,00,000 Swachhagrahis, the Adani Foundation reaches 26,50,000 students every month. Through students and teachers from more than 5,500 schools, the movement has reached over 12,50,00,000 people. The programme focuses on four key themes — waste management and littering, sanitation, personal hygiene and toilet etiquettes.

Recently, the Adani Foundation and Adani Electricity Mumbai Limited (AEML), with support from the Brihanmumbai Municipal Corporation (BMC), launched the 'Safety + Swachhagraha' in 2,269 schools in Mumbai. The initiative empowers an active group of teachers who motivate students to be Swachhagrahis and inculcate hygienic habits, along with creating a sense of ownership for public spaces and their cleanliness. The programme also includes safety training for any kind of electricity accidents, natural and man-made disasters, fire, transportation, drinking water and other such emergencies.

As a part of our commitment towards the environment, an environment oath-taking event was organised across all divisions by Mumbai Distribution employees.



### Recent developments

Adani Electricity with support from BMC launched 'Safety Swachhagraha' program in 2,269 schools in Mumbai under the gambit of the Prerak Training Program.

1. Various training sessions on safety and cleanliness were conducted
2. Swachhagraha Swachhataka Satyagraha, a behavioral change education program
3. Safety from any kind of electricity accidents, natural and man-made disasters, fire, transportation, drinking water and other emergencies

## Board of Directors



### Mr Anil Sardana

Chairman Non-Executive Director

Anil Sardana is the Chairman of our Company. He holds a degree in Electrical Engineering from the University of Delhi, from which he graduated with Honors. Before joining our Company, he was the Managing Director and Chief Executive Officer of the Tata Power group in Mumbai. He has an experience of about 40 years in the power and infrastructure sector with expertise in the areas of power generation, power systems design, power distribution, telecoms and project management.



### Mr Kandarp Patel

Managing Director and CEO

Kandarp Patel is the Managing Director and Chief Executive Officer of our Company. He holds a Bachelor's degree in Electrical Engineering from Birla Viswakarma Mahavidhyalaya Engineering College and a post-graduate Diploma in Business Management in Finance from G.H. Patel PG Institute of Business Management. He has more than 17 years of experience in the areas of power trading, fuel management, legal and regulatory and commercial aspects of the power business.



### Mr Sagar Adani

Non-Executive Director

Sagar Adani is a Non-Executive Director of our Company. He joined the Adani Group in 2015 after graduating in Economics from the Brown University, United States. Having started his career in projects, he is credited with building the solar and wind portfolio of Adani Green Energy.

## Board of Directors (Contd.)



### **Mrs Chitra Bhatnagar**

Non-Executive Director

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Mrs Chitra Bhatnagar, aged 63, is a Gynaecologist and Obstetrician by profession having MBBS and MD degree from Gandhi Medical College, Bhopal University. Mrs Bhatnagar was in active medical practice for more than 25 years. She also worked for slum children with NGOs like Bal Vikas Dhara, Delhi. She has been associated with Adani Foundation for last 12 years, providing voluntary and honorary service to the underprivileged section of society in medical field. Mrs. Bhatnagar is on the board of several Adani Group companies.

Mrs Chitra Bhatnagar does not hold any shares in Adani Electricity Mumbai Limited



### **Mr Kalaikuruchi Jairaj**

Independent Director

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K. Jairaj is an Independent Director of our Company. He is a member of the Indian Administrative Service, class of 1976, and has held appointments in the infrastructure, energy, transport and urban development sectors, including the acting Additional Chief Secretary, Energy Department and Chairman of Bangalore Electricity Supply Company Limited, the Managing Director of Bangalore International Airport Limited, the Managing Director of Karnataka Power Corporation Limited, the Managing Director of Karnataka State Road Transport Corporation, the Commissioner of Bangalore City Corporation for two terms, the Commissioner for Commercial Taxes and the Principal Secretary to the Chief Minister, Karnataka. With N. R. Narayanamurthy, Chairman Emeritus of Infosys, K. Jairaj established the Bangalore International Airport Limited, India's first greenfield airport on a public-private partnership basis with Siemens. K. Jairaj served with the World Bank in Washington D.C. as a senior public sector management specialist for Africa between 2004 to 2006. K. Jairaj's academic background is in economics, public policy, and management. He has a Bachelor's degree in Arts (Honours) from the Bangalore University, a Master's degree in Economics from the Delhi School of Economics, a Master's degree in Public Administration (MPA) from the Woodrow Wilson School of Public and International Affairs at Princeton University and an MPA from the Kennedy School of Government at Harvard University, where he was the Edward Mason fellow. K. Jairaj is active in the national management movement and has served as president of the All India Management Association, has been the president of the Bangalore management association and a member of the board of governors for the Indian Institute of Management in Kashipur. He was also on the board of governors of the Indian Institute of Management in Bangalore from 2000 to 2004. He is associated with several educational and not-for-profit institutions.

# Corporate Information

## OUR DIRECTORS

### Mr Anil Sardana

Chairman Non-Executive Director

### Mr Kandarp Patel

Managing Director and CEO

### Mr Sagar Adani

Non-Executive Director

### Mrs Chitra Bhatnagar

Non-Executive Director

### Mr Kalaikuruchi Jairaj

Independent Director

## COMPANY SECRETARY

### Jaladhi Shukla

## AUDITORS

### M/s. Deloitte Haskins & Sells LLP

Chartered Accountants  
Mumbai

## REGISTERED OFFICE

"Adani House" 56 Shrimali Society,  
Nr. Mithakhali Six Roads, Navrangpura,  
Ahmedabad - 380009,  
Gujarat (INDIA)  
CIN No: U74999GJ2008PLC107256

## OUR BANKERS

STATE BANK OF INDIA  
BANK OF BARODA  
BANK OF INDIA  
UNION BANK OF INDIA  
AXIS BANK  
HDFC BANK LIMITED  
ICICI BANK LIMITED  
YES BANK LIMITED  
ADITYA BIRLA FINANCE LTD  
DBS BANK INDIA LTD  
BARCLAYS BANK PLC  
CITIBANK, N.A.  
DEUTSCHE BANK AG,  
EMIRATES NBD BANK (P.J.S.C.)  
JPMORGAN CHASE BANK, N.A.  
MUFG BANK LTD.  
QATAR NATIONAL BANK (Q.P.S.C.)  
STANDARD CHARTERED BANK



# Management Discussion & Analysis

## 1. Economic Overview

### Indian Economy

Buoyed by an increase in the output of mining and electricity generation, India's factory output grew to a seven-month high of 4.5% in February from 2% in the preceding month. The Indian economy's growth softened to 4.2% in 2019-20 compared to 6.1% in 2018-19. This slowdown was a combined outcome of factors such as deceleration in consumption, subdued investments, sluggish growth in the manufacturing sector and declining credit growth. In view of these pressures, the Government undertook various measures such as corporate tax cuts, reduction in repo and reverse repo rates and structural reforms. With these changes implemented, the economy was set for a rebound in 2020-21. However, the sudden outbreak of COVID-19 in March 2020, halted the economic activities across the nation, with large supply chains disruptions. As a part of containment measure, the Government announced a nationwide lockdown across phases. The Government further announced several fiscal stimulus measures, worth ₹ 20 lakh crores in mid-May 2020 with a central focus of developing a 'self-reliant' India. The stimulus broadly focuses on the five pillars of growth – economy, infrastructure, technology-driven system, demography, and demand. This in turn will increase the private investment, boost liquidity in the market and investment in infrastructure.

### Outlook

The Coronavirus impact on the economy is anticipated to last longer. In view of this, the Government announced a set of stimulus measures for the immediate short-term, and, for the medium term, a set of long-pending reforms in agriculture, labour and other industries. These measures which aim at expenditure for poor households/skilled domestic workers, migrant workers, agriculture, a

fiscal package for business, and credit guarantees and equity infusion to MSME's will positively bolster growth in the long term. Furthermore, this package may strengthen the economy qualitatively and commercially because, it focuses on long-term employment and opportunities. Strategic lifting of the nationwide lockdown in a phased manner can help restore economic activities to bring back the growth rate on the track at the same time ensuring minimum health risks are involved.

## 2. Industry Overview

### Power Industry Overview

Power is among the most critical component of infrastructure, crucial for the economic growth and welfare of nations. The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy. India ranks at the fifth position among the countries of the world when it comes to the size of its energy economy, measured by the combined revenue of energy companies. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. India is ranked fifth in renewable power installed capacity and ranks 3rd on renewable energy investment and future plans. Indian power sector is undergoing a significant change that has redefined the industry outlook. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country.

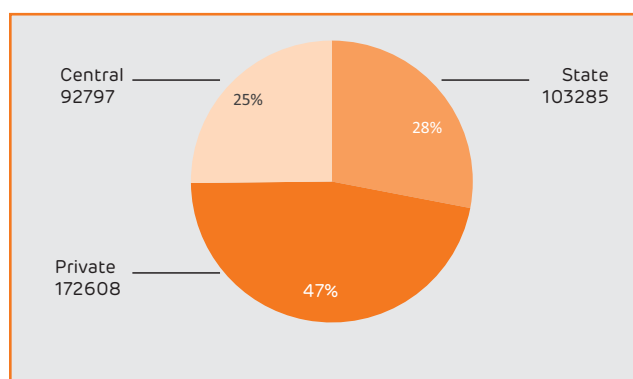
(Source: energy.economicstimes.indiatimes.com)

### A.a Power Generation Sector

India's total installed capacity stands at 3,67,281 MW as on 31 March 2020. Out of the total capacity, 25.2% (93,097 MW) is with central sector, 28.0% (103,292 MW) is with state sector and 46.8% (173,039 MW) is generated by private sector. The overall electricity generated through thermal sources is above 60% while that from RES is above 20% at 86 GW.

Sector	Thermal					Nuclear	Hydro	RES*	Grand Total
	Coal	Lignite	Gas	Diesel	Total				
State	65331	1290	7119	236	73976	0	26958	2350	103285
Private	74173	1830	10599	274	86875	0	3394	82338	172608
Central	58460	3640	7238	0	69338	6780	15046	1632	92797
All India	197964	6760	24955	510	230190	6780	45399	86321	368690

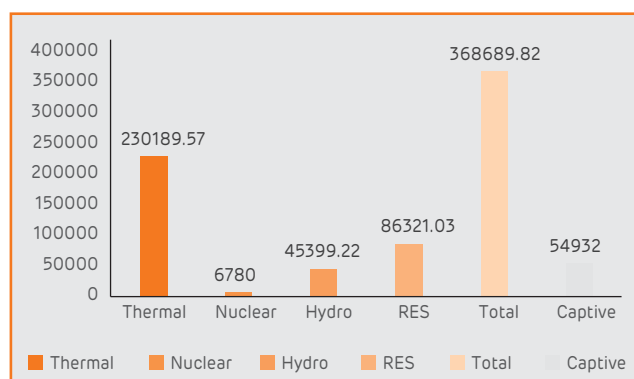
\*RES as on 31.12.2019



# Management Discussion & Analysis (Contd.)

## 4. All India Installed Capacity (MW) Region-wise as on 31-01-2020

Region	Thermal					Nuclear	Hydro	RES*	Grand Total
	Coal	Lignite	Gas	Diesel	Total				
Northern	52989.79	1580.00	5781.26	0.00	60351.05	1620.00	20010.77	16752.71	98734.53
Western	72275.12	1540.00	10806.49	0.00	84621.61	1840.00	7547.50	25526.09	11953.20
Southern	44514.52	3640.00	6491.80	433.66	55079.99	3320.00	11774.83	42162.88	112337.70
Eastern	27415.05	0.00	100.00	0.00	27515.05	0.00	4639.12	1496.97	33651.13
North-East	770.02	0.00	1775.81	36.00	2581.83	0.00	1427.00	364.20	4373.02
Island	0.00	0.00	0.00	40.05	40.05	0.00	0.00	18.19	58.24
ALL INDIA	197964.50	6760.00	24955.36	509.71	230189.57	6780.00	45399.22	86321.03	368689.82



Note: Captive Generation is not included in the total.

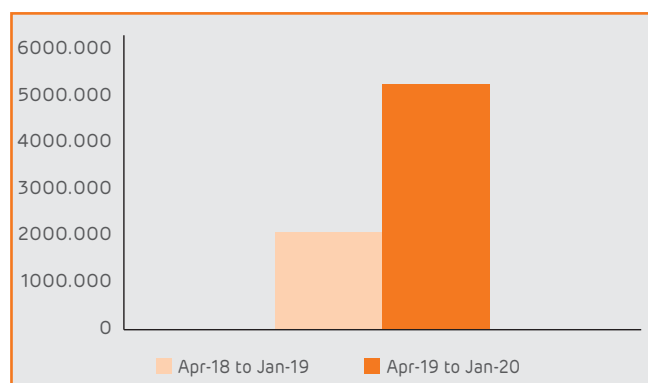
\*Captive Power capacity as on 31.03.2018

\*\*RES as on 31.12.2019

## Generation Capacity Addition during Apr-18 to Jan-19 & Apr-19 to Jan-20

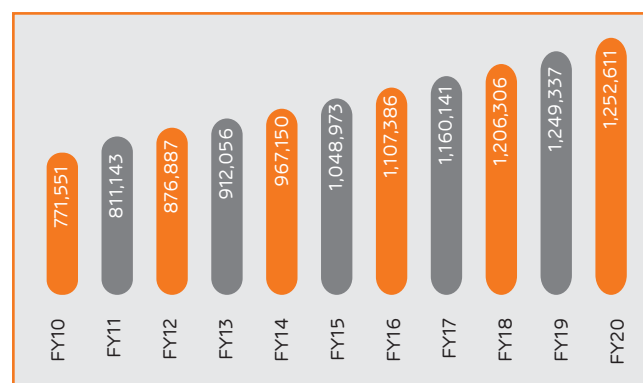
	Apr-18 to Jan-19	Apr-19 to Jan-20	% Change w.r.t. Previous Year
Thermal	2129.755	5445	155.7
Hydro	140.000	0	-100.0
Nuclear	0.000	0	NA
All India	2269.755	5445	139.9

NA - Not Applicable



## Generation

(₹ in BUs)



Source: Central Electricity Authority (CEA)

## Management Discussion & Analysis (Contd.)

### A.b Renewable Energy

India continues to grow its adoption of renewables, leading to significant drop in the cost of wind and solar power. In order to achieve the objectives, in FY 2015–16 the Government of India released a roadmap to achieve 175 GW of Renewable Energy (RE) capacity by 2022, which is one of the key actions to meet its commitments towards COP21 obligations. This roadmap also underlines its pledge to grow as a low carbon emitter. India's Intended Nationally Determined Contribution (INDC) commitments aim to reduce emission intensity of GDP by 33–35% by 2030 from 2005 levels and to achieve 40% of the total installed capacity from non-fossil fuel sources by 2030.

According to a report by the International Energy Agency (IEA), the strong growth of renewables in India now accounts for almost 23% of the country's total installed capacity. Further, energy efficiency improvements in India reduced 15% of additional energy demand, oil and gas imports, and air pollution – as well as 300 MT of CO2 emissions between 2000 and 2018.

As per the report, increased access to affordable energy has raised the living standards of all segments of the country's population and adds that it believes India now has the institutional framework it needs to attract more investment for its growing energy needs. By raising the level of its energy efficiency ambition, India could save some \$ 190 Billion per year in energy imports by 2040 and avoid electricity generation of 875 terawatt-hours per year, accounting for almost half of India's current annual power generation.

There is a significant transformation in the energy mix in India. Progressively declining costs, improved efficiency and reliability have made renewable energy a viable option for fulfilling India's energy needs in a sustainable manner, while also helping it pursue its commitment to the 2015 Paris agreement. The growth of renewable resources in India's generation mix has grown from 6.7% in 2016 to 24.47% in 2019 (installed capacity), signalling a significant transition underway from coal-fired power.

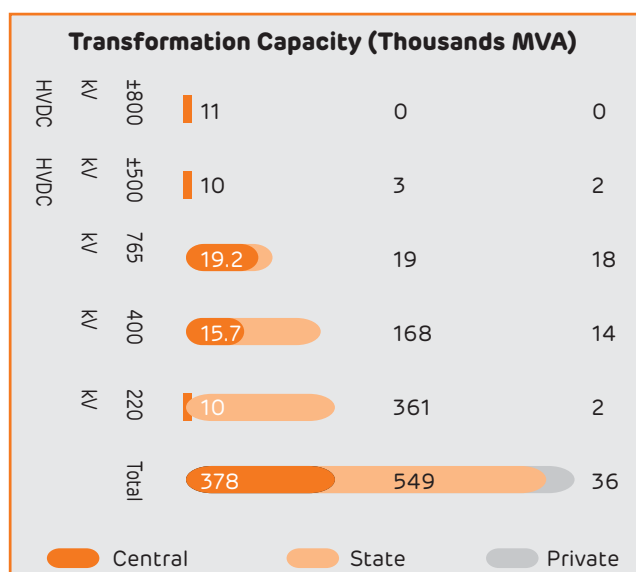
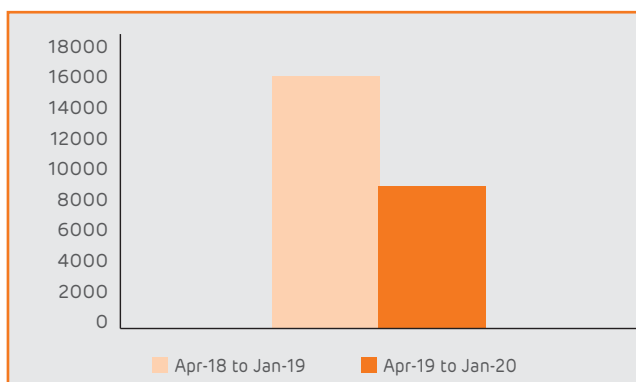
### a. Power Transmission Sector

The natural resources for electricity generation in India are unevenly dispersed and concentrated in a few pockets. Transmission, an important element in the power delivery value chain, facilitates evacuation of power from generating stations and its delivery to load centres. For efficient dispersal of power to deficit regions, strengthening the transmission system network, enhancing the Inter-State power

transmission system and augmentation of the National Grid and enhancement of the transmission system network is required. An extensive network of transmission lines has been developed over the years for evacuating power produced by different electricity generating stations and distributing the same to the consumers.

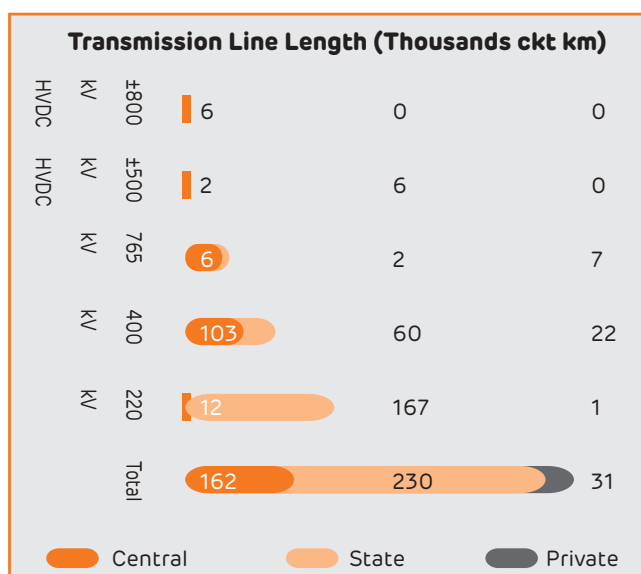
The power transmission networks constitute the vital arteries of the entire power value chain of a country. It goes without saying that the growth of power sector is contingent to the development of a robust and a non-collapsible transmission network.

Transmission Lines Added during Apr-18 to Jan-19 & Apr-19 to Jan-20 (Ckms)		
Voltage Level	Apr-18 to Jan-19	Apr-19 to Jan-20
+/- 500 KV HVDC	0	0
+/- 800 KV HVDC	0	0
765 KV	4632	2130
400 KV	6546	2992
220 KV	5143	4472
All India	16321	9594



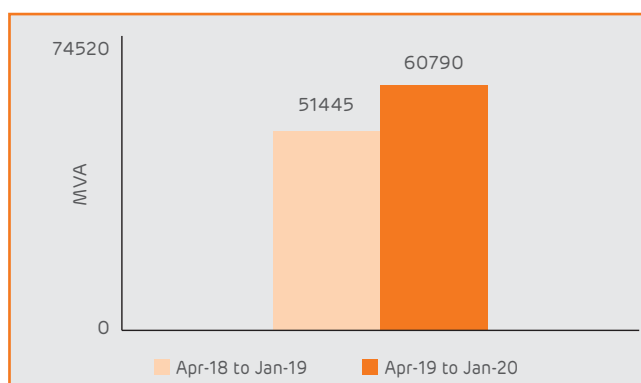
**Source:** Central Electricity Authority (CEA)

## Management Discussion & Analysis (Contd.)



**Source:** Central Electricity Authority (CEA)

All India Transformation Capacity Addition during Apr-18 to Jan-19 & Apr-19 to Jan-20 (MVA)		
Voltage Level	Apr-18 to Jan-19	Apr-19 to Jan-20
+/- 800 KV HVDC	0	1500
+/- 500 KV HVDC	0	0
765 KV	14500	16500
400 KV	22755	24590
220 KV	14190	18200
All India	51445	60790



As per the CEA Transmission Perspective Plan 2016, major high capacity transmission corridors have already been implemented/awarded or are already planned for implementation, which would meet the inter-regional import/export of power till FY22. Resources have been identified in various states to meet India's ambitious renewable energy target in the renewable energy zones comprising wind, solar or both energies. Additional solar capacity of 50 GW and wind capacity of 16.5 GW is envisaged in 7 RE rich states too. This also indicates that

over the next 5 years, India's transmission grid needs to keep pace with the country's increasing renewable and non-renewable power generation capacity. As per the economic survey 2018-19, additional \$ 250 Billion investment in renewable energy will be required by 2023-30. India remains underinvested in the transmission sector; however, the future looks very promising, especially with the plans for rollout of government projects to boost transmission. After evaluating the central and state governments' planning documents, the total market size of transmission projects is estimated to be C 3.4 Trillion till 2025.

Mumbai Power Transmission system consists of InSTS (Intra-state Transmission System) licensees (i.e MSETCL, AEML-T, TPC-T), operate 220kV & 110kV voltage level of integrated Transmission network in/around Mumbai. Power is sourced through embedded generations (AEML-G-500 MW, TPC-G- 1377 MW) and State Grid EHV Substations located at Boisar, Kalwa, Borivali and Kharghar. Mumbai Power demand has reached ~ 3,800 MW, of which ~1,800MW is supplied through embedded Generation capacity and balance ~ 2,000 MW (peak) is sourced from outside Mumbai through interconnecting Transmission Corridor lines between Mumbai and State Grid stations. In view of limited embedded generation capacity, further load growth / contingencies need be met through strengthening of Transmission corridor lines. As power demand increases, Transmission infrastructure need to be strengthened by a) adding transformation capacity and inter-connecting transmission lines capacity, which need upgradation of existing substations/ lines as well as development of new one and by b) adding newer transmission lines.

Mumbai has peculiar geographical constraints, as it is surrounded by water bodies, creek, reserved forest, mangroves covered landscapes and other ecologically sensitive pockets. As a result, city grows vertically, making it challenging to find a suitable Space for overhead Transmission System. Therefore innovation in not only transmission systems but also in optimized design of substations and lines & exploring newer corridors is required.

### b. Power Distribution (Retail) Sector

The distribution sector is the most important link in the power sector value chain, which channelizes the revenue realization to provide overall stability to the sector. As the only interface between utilities and consumers, it is the cash register for the entire sector. Under the Indian Constitution, power is a Concurrent subject and the responsibility for distribution and supply of power to rural and urban consumers rests with the states.



## Management Discussion & Analysis (Contd.)

The commercial and industrial sector in India consumes around 52% of electricity, followed by 24% by domestic households and 18% by agriculture sector. The pricing by distribution utilities is set below the actual cost for agricultural sector and domestic households in order to make power affordable for them and the gap is met through a combination of direct subsidy transfers and cross-subsidy from higher tariffs applied to the industrial and commercial sector.

The Indian power sector has been reeling under enormous financial pressure over the last few decades. Distribution companies (DISCOMs), a crucial part of the power sector, have been at the center of this. One of the key concerns has long been the inability of the state-owned companies to improve their operational and financial efficiencies. A significant challenge faced by DISCOMs in India is the increasing average technical and commercial losses (AT&C). **But with the private DISCOMS, the same is a different story.**

The most compelling driver is the private sector's acumen in reducing losses and building sustainability through profits. Operational autonomy is one of the biggest potential advantages of privatization. Profit motive creates a more efficient value chain.

In annual budget 2020, a special emphasis was laid on metering. The finance minister urged states and Union territories to replace conventional electricity meters with prepaid smart meters in three years, with the aim of increasing technological penetration and setting the stage for separating the carriage and content operations of power distribution companies. Smart meters minimize human intervention in metering, billing and collection, and help reduce theft by identifying loss pockets with more real time data. India's proposed distribution reform scheme—named Atal Distribution System Improvement Yojana (Aditya) to cut electricity losses below 12%—starts with smart meters. The 2.86-trillion scheme in the works aims to ensure continuous power supply, involves adopting models such as privatizing state-run discoms and having multiple supply, network and distribution franchisees.

With the availability of cheaper power and operational efficiencies, we aim to make electricity more reliable and affordable to our consumers.

### Key Growth Drivers

#### a. Evolving Demographics

Increasing disposable income among the urban middle class, threefold increase in vehicle ownership over the last decade. India is likely to account for more than half of the increase in Asia's workforce

in the coming decade, which consequently will have considerable impact on the already burgeoning middle-class disposable income. With increase in income levels, consumerism is also likely to grow. As white goods and vehicle penetration levels go up, the energy demand will largely be shaped by this evolution of working-class population

India's power distribution sector is passing through a turbulent phase on the back of the ongoing lockdown due to the coronavirus outbreak. The current initiative by the Government to restore the economy through its 'Unlock India' will bring back the economy on track in a staggered manner.

#### b. Urbanization

There has been considerable growth in urbanization over the last two decades and approximately 33% of the population is currently urban. With economic growth and increase in employment opportunities across industrial corridors, the urbanization is likely to increase in tandem. Power demand, vehicle penetration and various consumption side factors are closely linked to urbanization

#### c. Market Dynamics

Over the past two decades, the energy market dynamics has evolved considerably. Oil supply in the recent past saw an unprecedented influx driving the prices down sharply. Gas has been plentiful in supply, though limited by application areas, and remained a low priced commodity and become a more viable source of fuel for power generating stations integrated with RE sources.

Changing demand patterns which are closely linked to prices, coupled with climate change and global geopolitics will dictate the market dynamics going forward

#### d. Rising electricity demand

All-India peak demand for electricity is expected to grow from 173 GW to 370 GW by 2032 at a CAGR of ~5.6%, leading to higher investment in transmission space.

#### e. Focus on renewable energy addition

The Indian government has planned to ramp up renewable energy addition by ~175 GW by 2022. Due to its infirm nature and to provide stability to the grid, there is a requirement of dedicated corridors for renewable energy evacuation, which would lead to the requirement of new transmission projects.

#### f. Increased inter-regional demand-supply gap

The gap between demand and supply is widening across regions as load centres are situated away from conventional generation centres.

## Management Discussion & Analysis (Contd.)

### g. Upgradation of existing lines

Currently inter-state transmission runs at 400/765 kV level; higher voltage would lead to less ROW requirements and more transfer of power with reduced technical losses.

### h. Demand due to electric vehicles

As the world moves towards cleaner and greener fuel and source of energy, the conventional mode of transport i.e. petrol and diesel cars are witnessing a shift towards electric vehicles. This will further support the growth and create demand for electricity.

### i. Ease of doing business

In recent years, India has been able to improve its image in terms of doing business. The various policies and structural reforms have helped India to sit at Demand in commercial & industrial categories due to ease of doing business & policy supports/initiatives

## 3. Government Initiatives

### a. Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY)

Gol approved the DDUGJY scheme with the following objectives:

- Separation of agriculture and non-agriculture feeders
- Strengthening of sub-transmission and distribution networks in rural areas
- Metering of distribution transformers/feeders/consumers in rural area
- Rural electrification

### b. Integrated Power Development Scheme" (IPDS)

Ministry of Power, Government of India notified "Integrated Power Development Scheme" (IPDS) on 3rd December'14 with following components:

- Strengthening of sub-transmission and distribution networks in the urban areas.
- Metering of distribution transformers / feeders / consumers in the urban areas.
- IT enablement of distribution sector and strengthening of distribution network under R-APDRP for 12th and 13th Plans by carrying forward the approved outlay for R-APDRP to IPDS.
- Schemes for Enterprise Resource Planning (ERP) and IT enablement of balance urban towns are also included under IPDS. Scope of IT enablement has been extended to all 4041 towns as per Census 2011.
- Underground cabling to include additional demand of States and smart metering solution

for performing UDAY States and Solar panels on Govt. buildings with net-metering are also permissible under the scheme.

### c. National Electricity Fund

To mitigate the funding gap and expedite the reform process particularly in Distribution sector, which requires huge capital investment, the creation of National Electricity Fund (NEF) was announced. It was approved to promote the capital investment in the distribution sector by providing interest subsidy, linked with reform measures, on the loans taken by public and private power utilities for various capital works under Distribution projects.

### d. Ujwal DISCOM Assurance Yojana (UDAY):

Approved by the Ministry of Power, UDAY envisages turn-around of Power Distribution Utilities (DISCOMs) of the country in the following way:

- Financial Turnaround
- Operational improvement
- Reduction of cost of generation of power
- Development of Renewable Energy
- Energy efficiency & conservation

### e. Atal Distribution System Improvement Yojana (ADITYA):

The government plans to come up with Rs2.86tn distribution reform scheme called ADITYA. The scheme would target at reducing electricity losses to less than 10% in urban areas and 15% in rural areas, negating tariff gaps and having compulsory prepaid smart metering across the power distribution chain, including 250mn households.

### Key Policies Announced in FY20

The government has announced the following proposals to:

- Set up large solar power capacity alongside rail tracks on railway land
- Allocated C 220 Billion for the power and renewable energy sector and the government has urged state governments to implement smart meters
- Operationalise a scheme to enable farmers to set up solar power generation capacity on their fallow/ barren lands and to sell it to the grid
- Close power plants that are old and exceeding carbon emission norms. The land could be used for alternative purposes
- Delay on account of disruption of the supply chains due to the spread of COVID-19 in China or any other country to be treated as force majeure for all RE projects

## Management Discussion & Analysis (Contd.)

- Three-month moratorium on DISCOMS making payment to generating and transmission companies, and a waiver of penalty for late payment
- Till 31st May 2020, the payment security mechanism to be maintained by the DISCOMS with the generators for dispatch of power to be reduced by 50%
- Generation / transmission companies to continue supply / transmission of electricity even to DISCOMS, which have large outstanding dues
- Ensure adequate supply of coal to facilitate uninterrupted supply of electricity
- Three-month moratorium in respect on all term loans of commercial banks, all-India financial institutions and NBFCs outstanding as on 1st March, 2020
- Deferment of interest on working capital facilities for a period of three months for all facilities outstanding as on 20th March 2020

In a bid to initiate reforms in the power sector, on 17th April 2020 the government made public the draft Electricity Bill, 2020, which seeks to remove subsidised electricity rates, cross-subsidy, complex tariff structure and strengthening regulators, among other things. The Bill proposes an overhaul of the power distribution sector, which is currently the weak link in the supply chain. It also proposes a franchisee model in private power distribution.

### Amendments Introduced in the Electricity Act/ New Draft Electricity Bill, 2020

- Power tariff to be determined with no subsidy component
- Cross-subsidy on industry to be reduced over time
- Opens power distribution to franchisee and sub-licensee business
- Appellate Tribunal of Electricity to have powers similar to that of a Civil Court
- New contract dispute resolution authority to be formed
- Cost-reflective tariff and simpler power tariff structure to become law
- Load despatch centres to also monitor payment by states before electricity supply
- New Renewable Energy Policy to be drafted

#### 4. Company Overview

Adani Electricity a wholly owned subsidiary of ATL is involved in Power Generation, Transmission and Retail Electricity Distribution business. It serves

over three million consumers spread across 400 sq. kms in Mumbai and its suburbs with 99.99% reliability, one among the highest in the country. Adani Electricity meets close to 2,000 MW of power demand in Mumbai's largest and the most efficient power distribution network. It provides world-class customer care services with the help of advanced technologies.

#### 5. Operational Highlights

##### Consumer Network (Lacs)

FY2018-19	FY2019-20
30.30	30.50

##### Distribution Loss (%)

FY2018-19	FY2019-20
7.85	7.37

##### Network Length (Km)

	FY2018-19	FY2019-20
HT cable length	4538	4747
LT cable length	17383	17626

##### Transformer Capacity (MVA)

	FY2018-19	FY2019-20
DT capacity	5016	5132
PT capacity	3775	3895

##### Key Highlights

1. The Maharashtra Electricity Regulatory Commission (MERC) has approved the Multi-year Tariff (MYT) Order for FY21-22 to FY24-25. The following are the key highlights
  - a. Tariffs have been reduced by 18% compared to the last year, leading to consumer benefit
  - b. Rationalisation of categories: 22 categories reduced to 12, thereby improving ease of billing
  - c. Discount of approx 10 per month for consumers opting for e-bill to reduce carbon footprint
  - d. Cash receipts limited to approx. 5,000 per consumer, to promote digital payments
2. Qatar Investment Authority invested ~3,220 Crores for a 25.10% stake in AEML and for shareholder subordinated debt in AEML
3. Completed first ever US Dollar bond issuance by a private integrated utility from India, raising \$ 1 Billion at 3.949% coupon with a bullet maturity for a tenure of 10 years. The issue generated significant interest from international investors and was oversubscribed 5.9x
4. Capex plans have been drawn up at AEML Mumbai Distribution business, and rolling capex facility of \$ 400 Million has been tied-up.

# Management Discussion & Analysis (Contd.)

## Customer Centricity

- Genius Pay, a payment-cum-service channel, has been rolled out to provide all payment options, in addition to complaint registrations and query handling services. Cumulatively, these kiosks have already handled approximately 5 lakh transactions and collected ~ 48 crore in payments over 6 months
- WhatsApp business account with chatbot has been introduced – a first-in-class feature to enhance self help
- Contact centres have been thoroughly revamped for better inbound call handling, leading to ~94% reduction in average wait time, 63% points improvement in service levels and 32% points reduction in call abandonment rates over the period of August 2018 to February 2020

## Sustainability Initiatives

- AEML is committed to increasing the share of renewable power procurement from the current 3% to 30% by 2023 and 50% by 2025
- Tied up with hybrid (solar + wind) 700 MW PPA with minimum guaranteed Capacity Utilisation Factor of 50%
- Use of non-carcinogenic biodegradable silica gel in our transformers
- Replacement of High-pressure Sodium Vapour (HPSV) lamps with LED lamps in streetlights
- Replacement of petrol/diesel vehicles with electric ones in our fleet
- Replacement of oil type switch gears with dry type maintenance-free switch gears
- Use of environment-friendly ester filled transformers

## 6. Financial Review

During the year under review, the Company's revenue from operations grew by 2.9% at ₹ 7870.37 Crores as compared to ₹ 7,643.21 Crores last year. Operating EBIDTA registered growth of 13% at ₹ 1,881 Crore and PBT was significantly up by 49% to ₹ 252.80 Crore as compared to ₹ 169.14 Crore last year.

## 7. Risk Management

**Regulatory:** The energy industry in India is highly regulated. Tariffs determined by regulatory order generate a large majority of our revenue. These tariffs are subject to periodic reviews by the CERC and the MERC, as applicable. Any failure in implementing new regulations/recommendation introduced by the governing body can impact the

performance of the Company negatively.

**Environmental legislation:** The Company is involved in the act of power generation, transmission, and distribution business. Various countries have implemented or are considering implementing regulatory frameworks in order to reduce greenhouse gas emissions. Such regulatory frameworks may include the implementation of cap and trade regimens, taxes on carbon, higher efficiency standards and incentives or mandates for renewable energy. Any failure in abiding by this regulation may negatively affect company's performance.

**Upgrading or renovation work:** Our generation, transmission and distribution systems may need to undergo upgrading or renovation work from time to time to retain their competitiveness. It also require unforeseen ad hoc maintenance or repairs in respect of faults or problems that may develop or because of new planning laws or regulations, natural disasters, sabotage, physical and cyber terrorist attacks or other events that can cause service interruptions to consumers, network failures, breakdowns or unplanned outages. This can result in temporary disruptions of operations, impacting the overall running of whole company.

**Increased Digitization:** Increasing digitization and digital inter-connections in the power system of the country have made the stakeholders (generators, transmission entities, distribution entities and load dispatch centres) exposed to increased risks of cyberattacks and vulnerable to widespread and prolonged service disruptions and data leakage, fraud, etc. Any kind of cyber attack can affect company's performance negatively leading to low profitability.

**High-end customers:** In the recent past, many businesses, in particular industrial consumers, have decided to shift their operations out of Mumbai to nearby areas or other states due to the high cost of operations in Mumbai. The industrial and commercial sectors represent Mumbai's 'high-end consumer' base and account for a significant portion of our power consumers. Therefore, any shift in base of such high end customers can negatively impact company's profitability.

## 8. Human Resource Management

The focus of the human resources function is twofold -create safe and engaging work environment and enhancing productivity. As part of this plan, safety is of topmost priority not only inside the organization but immense effort has been made to improve safety culture around the production site as well. The Company organizes relevant training programs



## Management Discussion & Analysis (Contd.)

focused on effective personal productivity. These have been well received and are proposed to be rolled out further in the coming year. The number of permanent employees of the Company as on 31 March 2020 were 4,974.

### 9. Internal Control Systems

The Company has put in place robust internal control systems and best-in-class processes, commensurate with its size and scale of operations. There is a well-established system of multi-disciplinary Management Audit & Assurance Services (MA&AS) that comprises professionally qualified accountants, engineers and SAP experienced executives. The team conducts extensive audit throughout the year across all functional areas and submits its reports to the Management and Audit Committee. The reports contain information regarding the compliance with internal controls and efficiency, along with effectiveness of operations and key process risks.

Key features of the Company's internal controls system include:

- Adequate documentation of policies and guidelines
- Preparation and monitoring of annual budgets through monthly review for all operating service functions
- The MA&AS department prepares a Risk Based Internal Audit scope with the frequency of audit being decided by risk ratings of areas/ functions. Risk based scope is discussed amongst the MA&AS team, functional heads/ process owners/CEO and CFO. The audit plan is formally reviewed and approved by the Audit Committee of the Board.

- The entire internal audit processes are web enabled and managed on-line by our Audit Management System.
- The Company has a strong compliance management system, which runs on an online monitoring system.
- The Company has a well-defined delegation of power with authority limits for approving revenue and capex expenditure, which is reviewed and suitably amended on an annual basis.
- The Company uses an ERP system (SAP) to record data for accounting, consolidation and management information purposes and connects to different locations for efficient exchange of information.

### 10. Cautionary Statements

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations and others may constitute "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ from those expected or implied. Several factors that could significantly impact the Company's operations include economic conditions affecting demand, supply and price conditions in the markets, changes in technology, changes in the government regulations, tax laws and other statutes, climatic conditions and such incidental factors over which the Company does not have any direct control. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

# Directors' Report

To

The Members,

Your Directors present the 12th Annual Report together with audited financial statement of the Adani Electricity Mumbai Limited (hereinafter "Company" or "AEML") for the year ended March 31, 2020.

## Financial Highlights

Summary of the financial results is as under:

	₹ In Crores	
Particulars	2019-20	2018-19
Total Income	7870.37	7,643.21
Total Expenditure	7384.80	7,631.66
Profit/(Loss) Before Rate Regulated		
Activities, Exceptional Items and Tax	485.57	11.55
Add/(Less): Regulatory Income/ (Expenses) (Net)	(232.77)	157.59
Profit/(Loss) Before Tax	252.80	169.14
Tax Expenses	202.58	107.66
Net Profit/(Loss)	50.22	61.48
Other Comprehensive Income / (Expenses)		
- Items that will not be reclassified to profit or loss	(30.31)	0.03
Effective portion of gains and losses on designated portion of hedging instruments in a cash flow hedge	(13.24)	-
Total other Comprehensive Income / (Loss)	(19.91)	61.51

During the year under review, the Company's operating EBIDTA registered growth of 13% at Rs. 1,881 Crore and PBT was significantly up by 49% to Rs. 252.80 Crore.

The Company completed first ever USD bond issuance by a private integrated utility from India, raising USD 1 Billion in February 2020.

The audited financial statements of your Company as on 31st March 2020, prepared in accordance with the relevant applicable IND AS and provisions of the Companies Act, 2013, forms part of this Annual Report.

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report.

## Performance of the Company

### Business Operations

The Company is the licensee for an integrated power distribution, transmission and generation business that currently serves more than 3 million consumers across

a license area of approximately 400 square kilometers in the city of Mumbai, the world's seventh largest city by size of population. The Company's market share of Mumbai is approximately 87% by license area, 67% by consumers served and 55% by electricity supplied.

### Distribution Business

Distribution operations of the Company continue to achieve the distinction of consistently operating its distribution network at 99.99 per cent reliability.

#### 1. Sales and Revenue:

The Company sold 8,467 million units of electricity to its own retail consumers in FY 2019-20. Also, the Tata Power Company Limited (TPC) consumers connected to the network of the Company consumed 1,559 million units of electricity in FY 2019-20. Open access consumers connected to the network of the Company consumed 309 million units of electricity in FY 2019-20. The sales revenue of the Company from Distribution Operation for FY 2019-20 was Rs. 7,212.13 Crore including wheeling revenue of Rs. 1,525 Crore based on the tariff determined by the Hon'ble Maharashtra Electricity Regulatory Commission (MERC) for FY 2019-20 vide Mid Term Review Order dated September 12, 2018.

#### 2. System Demand:

The coincident peak demand of distribution system in FY 2019-20 was 1,964 MW as against 1,905 MW in FY 2018-19.

#### 3. Distribution Loss and Collection Efficiency:

The distribution loss for the Company's distribution network for FY 2019-20 is 7.45%. The collection efficiency for FY 2019-20 is at 99%.

#### 4. Consumers:

The number of Consumers using the Company's network as at 31st March 2020 was 30.52 Lakhs. The Company has added 65,765 consumers to its network in FY 2019-20.

#### 5. Network Augmentation:

In order to meet the rising demand for power, network augmentation is undertaken on a continuous basis. During the FY 2019-20, High Tension (HT) cable network increased from 4,798 kms to 4,860 kms. The power transformer installed capacity increased to 3,910 MVA and distribution transformer installed capacity increased to 5,071 MVA. The Company added 149 new sub-stations totaling to 6,597 sub-stations in its supply area as of 31st March 2020.

#### 6. Regulatory update:

During the year, MERC has issued new Multi-Year Tariff Orders for the Mumbai Generation,

## Directors' Report (Contd.)

Transmission and Distribution businesses of AEML. The revised tariffs will be effective from 01.04.2020. MERC has also approved purchase of Hybrid Solar plus Wind energy to the extent of 350 MW + 350 MW (greenshoe option) at the rate of Rs. 3.24 per unit, which will meet AEML's previous shortfall in renewable energy purchase plus the going forward targets for the same. Further, during the year, the Hon'ble Supreme Court of India has issued judgments on the two long-standing issues of dispute with Tata Power and MERC pertaining to Stand-by charges and Take or Pay, the accounts to that effect between AEML and TPC has been settled.

AEML has terminated its 600 MW Power Purchase Agreement with Vidarbha Industries Power Ltd. (VIPL) on persistent default in power supply. The matter is now under appeal at Appellate Tribunal. AEML has, in the alternate, been procuring power from short-term market, at much favorable rates, which have helped AEML reduce its tariffs and improve its competitive position vis-à-vis Tata Power. Going forward, a large portion of this alternative power will be available from AEML's approved contract of 700 MW Hybrid RE power purchase, thereby reducing AEML's dependence on short-term purchases.

### 7. Renewable Purchase Obligations (RPO):

The Company has purchased 218.78 MUs of Non-Solar and 67.57 MUs of Solar energy to meet its Renewable Purchase Obligation for FY 2019-20. AEML has requested Hon'ble MERC to carry forward Shortfall in meeting RPO target to 4th Control period where the same will be met through energy received from 700 MW wind solar hybrid power PPA. MERC in MYT order dated 30th March 2020 in Case no. 325 of 2019, has ruled that such decision can be taken only after RPO verification process under RPO Regulations, 2016.

### 8. Health & Safety:

The Company always view employee's health and safety as a priority in the Organization. It always ensures that a rigorous health and safety policy is in place to protect the employees against possible occupational risks and reduces the likelihood of accidents in the workplace. AEML has completed upgradation of earlier OHSAS-18001 standard to "Occupational Health & Safety Management System" (OHSMS-ISO)

### 9. Learning and development

Learning and development is about creating the culture and environment for individuals and

organisations to learn and grow. The Company has world class infrastructure at two of locations in its supply area - Adani Electricity Management Institute (AEMI) & VTTS – Versova Technical Training Center, which are well equipped with Hi-Tech infrastructural facilities for conducting different courses on technical as well as management subjects covering the needs of the Indian Power and allied Energy sectors.

During the year under review, the Company conducted over 171 different courses for the employees. 50 internal and external faculties imparted 42,01 man-days training to 4,337 employees.

The Company has institutionalized a detailed Organizational L&D Programs by using online platform like CORESERA for the convenience of all the working executives.

### 10. Business Excellence:

AEML vision is "To be a world-class leader in businesses that enrich lives and contribute to nation, in building infrastructure through sustainable value creation."

In line with the Vision, Quality objectives set by AEML are:

- Creation of a high-performance and a sustainable Quality culture aimed at achieving overall Business Excellence.
- Adoption of relevant continual improvement interventions that leads to improved process, product and services, to enhance stakeholder value
- Promotion of integrated working across functions for greater synergy

### 11. Human Resources

AEML being a consumer driven business & and operates in a regulatory environment, our success in the marketplace depends largely on the way we adapt to changing market conditions and how we deal with the growing competitive intensity around us. Align with this objective Sr. Executive/ Management Teams have identified an imminent need and adopted the practices that are operational in Adani Group and decided to leverage growth curve in creating process & Systems benchmarks to lead and set sustainable footprints within AEML business vertical.

With this endeavor the organization leadership has engaged with the Sr. Leadership team in conceiving

## Directors' Report (Contd.)

a detailed Business reorganization journey, while accelerating the functional side of organization like Human Resources; Finance & Techno commercial operations in collaboration with core business needs of G; T&D.

Additionally, in order to set uniform process of governance review and seamless implementation of all new initiatives, the Sr. Leadership have conceived strategy Management team and in the first year of its post-merger operations itself and it is able to accomplish the required process blueprints and commenced rolling out these new Business Process Transformation initiatives as desired.

### a. Creating a performance culture:

In our endeavor to create a robust performance management Culture align this, AEML has geared up in building a holistic 'Performance Management System-PMS through encompassing three clear strategic steps such as: a) setting goals/ KRAs, align the business needs; b) Assessing performance of Individuals by Review Managers through Dyadic Discussions & Finally c) the reward / percentage of the annual Increments to bring par lance & standards of Adani Group norms and market benchmarks. This helps literally in delivering the clarity, consistency and encourages employees to live up to organizational standards and leadership expectations. Further, it helps in building an open and transparent performance culture across the organisation.

### b. Creating a seamless Employee Engagement practice:

During the current year, AEML initiated a well-defined Employee Engagement Intervention across the organisation through Burke ® organizational engagement framework to assess the specific cultural dimensions, which help identify and assess the employee engagement & related scores. Accordingly, assessment would be completed as well in addition to identifying the current EE rates at 4 against scale of 5 and additionally able to draw clear roadmap in driving action plans to encourage totally disengaged resources as per the feedback.

### c. Apart from these core initiatives, following mandatory programmers are initiated.

- i. POSH - Anti Corruption & Bribery
- ii. Code of Conduct, etc.

## 12. Corporate Social Responsibility Measures taken in distribution:

AEML as a responsible corporate entity undertakes appropriate Corporate Social Responsibility (CSR) measures having positive economic, social and environmental impact to transform lives and to help build more capable and vibrant communities by integrating its business values and strengths. In its continuous efforts to positively impact the society, especially the areas around its sites and offices, the Company has formulated guiding policies for social development, targeting the inclusive growth of all stakeholders under various specific categories including promoting education, environment sustainability, economic empowerment, rural development, health care and sanitation.

### A. Community Engagement/ Others - Old, quality clothes collected from the Employees of AEML to be distributed among needy people.

### B. Sustainable Livelihood –

#### MERI SANGINI –

- a) The program launched as a pilot in Aarey & Tilak Nagar Area, Chembur aims to create a cadre of women entrepreneurs who can become community leaders, or counselors and advisors to citizens on various topics like welfare, financial inclusion, women empowerment.
- b) Implementing partner HAQDARSHAK had identified 15 Sanginis and educating them on 'Meri Sangini App' about various Government schemes and documents.
- c) Also, it aims to train women on best practices for prevention of domestic violence & educating them on their health and hygiene both personal and of the area they stay in.

#### Project SAKSHAM –

- a) To provide needy & destitute women with Multiple skill development options like Digital literacy, Tailoring, Nursing, Meter Reading, Bill Distribution, Driving, Cooking, E Commerce product delivery, Call centre, etc, which will make them competent to earn a sustainable livelihood.
- b) In addition, training on the softer aspect of conduct, mannerism, mortality etc. shall also be imparted.
- c) The Skill centre has been identified in Versova, Andheri west.



## Directors' Report (Contd.)

- C. Safety+Swachhagraha Programme launch - AEML with support from BMC launched "Safety + Swachhagraha" programme in 2269 schools in Mumbai, which includes Municipal Corporation, Aided & Self Finance Schools through a prerak Training Programme from 24th-26th Feb 2020.
- This program executed through Swachhagraha dals and Preraks in schools, which aims to use children as change agents to bring about behavioral and attitudinal change
  - It will help in building a culture of cleanliness & spreading awareness on Safety from any kind of electricity accidents, natural and man-made disasters, fire, transportation, drinking water and other emergencies
- D. Knowledge Sharing session on Women & Child Safety –
- A Knowledge Sharing Session was conducted on 14th Feb 2020 in coordination with Mumbai Police and their NGO affiliates covering Women and Child Safety, Prevention of Crime Against Women at Workplace, Cyber Crime & Security Consciousness As Dutiful Citizens Of Mumbai.
- E. Blood Donation - 6 Nos. of Blood Donation camps were set up with 184 nos. of Donors.

### 13. Rewards & Recognitions

The Company has got recognition from various authorities for its performance.

- ISGF Innovation Awards 2019: Category – Best Smart Grid Project
- CBIP Awards 2019: Category – Best Performing Integrated Power Utility
- ISGF Innovation awards 2020
  - Category - Most Reliable Supply of Electricity by Utility in India (Gold)
  - Category - Smart Technology –Certificate of Merit for BOT to improve Consumer service
- Best Smart City empowering the India Awards 2020 – Implementation of GIS/OMS system – Certificate of Merit
- ASSOCHAM Service excellence awards – 2019: Category – Power
- ET NOW presents Business Leader of the Year – 2019 – Business leader of the Year (Power Sector)

### Transmission Business

The Company is intra-state transmission licensee, in operation since 1995 after commissioning 220kV transmission OH lines between ADTPS to Mumbai.

The Company's transmission business operates eight 220kV Extra High Voltage (EHV) Substations with an aggregate transformation capacity of 3,125 MVA and approximately 566.53 ckt. kms of 220kV lines. Five out of these eight EHV Substations are new technology vertically designed, multi-storied and compact Gas Insulated Switchgear (GIS) based EHV Substations. The Company's transmission network is connected with the state grid at twelve points, further strengthening the Mumbai power system. The Company always strives to adopt best practices, along with efforts to keep the high standards of maintaining network system availability. For fiscal year ended 31st March, 2020, the Company registered 99.78% system availability, which is above the norms set by the regulator, thereby company is operating consistently in the incentive zone.

The Company has successfully commissioned 220kV Cable connectivity scheme between AEML Aarey - MSETCL Borivali EHV substation and 220kV GIS Bay Extension Scheme at AEML Versova EHV substation in FY 2020.

The Company is currently executing 33 kV AIS to GIS Conversion scheme at Aarey, Versova & Ghodbunder EHV sub-station, 2nd Feed at 220kV Chembur EHV sub-station and installation of 3rd Transformer at Borivali EHV sub-station to strengthen transmission network in the Mumbai area. EML-TA

At AEML-Transmission, new technologies are continuously explored and deployed for improvement of the operation and maintenance practices. New technology schemes adopted recently are Travelling Wave Fault locator, Optical CT (to enable auto reclosure of hybrid transmission lines), Augmented reality technology for outage management in 220kV EHV Station & 220kV Cable System, Online DC earth fault monitoring and identification system, Gas Insulated Bus Duct System, use of monopoles in place of conventional transmission towers. The Company is in the process of Installing Intrusion Detection System on its Cable System to safe guard the Cable system against possible Hazards through excavations on Public Roads. Also AEML is working on developing Cable Sheath Monitoring system for monitoring of the cable Sheath.

As a part of Automation, the Company has shifted the Operational controls of its 5 GIS Stations at its Main Control Centre (MCC) at Aarey, thus facilitating all operations from Remote during the FY 20.

# Directors' Report (Contd.)

## Generation Business

### Adani Dahanu Thermal Power Station (ADTPS)

ADTPS operates the 2 x 250 MW power plant and continues to maintain its numero uno operational position among the power stations in the country. During Financial Year 2019-20, the Plant Load Factor was 76.22% which was mainly on account of low demand in the western grid and backing down of generation as per State Load Dispatch Centre (SLDC) instructions. The station generated 3347 million units (MUs) along with plant availability of 91.33 %.

### Share Capital

During the year, your Company allotted 62,07,73,535 equity shares of Rs. 10/- each at a premium of Rs. 1.94 per share on a private placement basis to Adani Transmission Limited. As a result, the paid-up share capital of the Company stood increased to Rs. 4,020.82 Crores divided into 402,08,23,535 Equity Shares of Rs. 10 each.

## Re-financing initiatives

### a. Issue of senior secured notes

During the year under review, the Company successfully issued U.S.\$1,000,000,000 3.949% senior secured notes in the international markets. The bonds are listed on Singapore Stock Exchange. This was Company's debut US\$ bond issuance and forms part of the Company's long-term financing strategy to raise capital internationally. The success of bond issue enabled the Company to diversify the investor base, increase maturity profile and optimise the financing and capital structure.

### b. Availing of Hedging and Working Capital facilities

During the year under review, the Company has availed hedging facilities from certain hedging counterparties of about USD 1570,000,000 (USD One Thousand Five Hundred Seventy Million) and has availed working capital facility (fund and non-fund based) from certain banks/financial institution of INR 980 crores (Rupees Nine Hundred Eighty Crores Only)

### c. Availing of External Commercial Borrowings

During the year under review, the Company has raised External Commercial Borrowings (ECB) from various capex lenders of about USD 400,000,000 (United States Dollars Four Hundred Million only).

The funds raised from issue of the above debt has been utilized to repay all rupee denominated term loans.

## Extract of Annual Return

The extract of the Annual Return as provided under sub section 3 of Section 92 of the Companies Act 2013 ('Act') is attached in **Annexure A**.

## Dividend

Your Directors have not recommended any dividend on equity shares for the year under review.

## Reserves

The Company has not transferred any amount to the General Reserves during the year under review.

## Status of the Company

The Board at its meeting on 24th October, 2019 had approved inter alia execution of transaction documents in connection with the sale of 25.1% of the issued and outstanding shares of the Company held by Adani Transmission Limited (ATL), Holding Company to Qatar Holding LLC, (investor) a limited liability company duly organized and existing under the laws of the State of Qatar ('Investor'). In this regard, the Company had signed the Share Purchase Agreement in December 2019 with Adani Transmission Limited (ATL), Holding Company and Qatar Holdings LLC (investor), for enabling investor to acquire 25.1% stake (ie. 100,92,26,708 number of equity shares of the Company) in the Company from ATL. Accordingly, investor has completed the acquisition of 25.1% equity shares of the Company with effect from 10th February 2020. With this transfer, Company has ceased as wholly owned subsidiary of Adani Transmission Limited w.e.f. 10th February, 2020.

## Subsidiary Companies

During the year under review, Adani Electricity Mumbai Infra Limited became subsidiary of the Company w.e.f. 3rd January 2020.

A statement containing the salient features of the subsidiary is provided in AOC-1 as **Annexure B**.

## Amendment of Articles of Association

During the period under review and pursuant to the provisions of the Shareholders Agreement entered by the Company with ATL and Qatar Holding LLC dated 10th February, 2020, the Company has adopted restated Articles of Association in substitution for, and to the exclusion of, the existing Articles of Association of the Company with effect from 10th February, 2020.

## Directors

Pursuant to the provisions of Section 149 of the Companies Act, 2013, ("Act") Mrs. Chitra Bhatnagar (DIN 07146185) was appointed as an Additional Director (Non-Executive) of the Company with effect from 29th August 2019. She was designated as an Independent Director of the Company with effect from 23rd September 2019.

## Directors' Report (Contd.)

Further, the terms and conditions of appointment of Independent Directors are as per Schedule IV of the Act. In accordance with the provisions of the Act, Mrs. Chitra Bhatnagar (DIN 07146185) holds office up to the date of the ensuing Annual General Meeting. Pursuant to Section 160 of the Act, the Company has received a notice in writing from a member proposing the candidature of Mrs. Chitra Bhatnagar (DIN 07146185) for the office of Director at the ensuing Annual General Meeting of the members. It is therefore proposed to recommend the appointment of Mrs. Chitra Bhatnagar (DIN 07146185) as a Director of the Company at the ensuing Annual General Meeting.

The Company has received confirmations from Mr. K Jairaj and Mrs. Chitra Bhatnagar, independent director(s) stating that they meet with the criteria of independence as prescribed under subsection (6) of Section 149 of the Act and there has been no change in the circumstances which may affect their status as Independent Directors during the year under review.

Mrs. Birva Patel (DIN: 07203299) who was appointed as an Additional Director under the category 'Non Executive' of the Company in terms of the provisions of Section 161(1) the Act w.e.f. 21st May 2019, resigned from the Company with effect from 1st August 2019 due to pre-occupation.

Pursuant to the requirements of the Act and Articles of Association of the Company, Mr. Anil Sardana (DIN 00006867), Director is liable to retire by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.

The Board recommends the re-appointment of Mr. Anil Sardana (DIN 00006867) for your approval.

### Key Managerial Personnel

During the year, Mr. Abhijit Banerjee (Membership No. ACS 8970) resigned as Company Secretary of the Company with effect from 12th March 2020.

Consequent to Mr. Abhijit Banerjee's resignation, the Board appointed Mr. Jaladhi Shukla, (Membership No. FCS 5606), Company Secretary of Adani Transmission Limited as the Company Secretary of the Company with effect from 12th March 2020.

The change was with a view to internal realignment of secretarial functions of material subsidiaries of the Adani Transmission Limited.

### Directors' Responsibility Statement

Pursuant to Section 134(5) of the Act, the Board of Directors to the best of their knowledge and ability state the following:

- that in the preparation of the annual accounts, for the year ended March, 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates 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 March 2020 and of the profit of the Company for that period;
- that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors had prepared the annual accounts on a going concern basis;
- that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating efficiently.

### Board Meetings

The Board of Directors met 6 times during the financial year 2019-20 on the following dates:

21st May 2019, 1st August 2019, 24th October 2019, 20th January 2020, 10th February 2020 and 13th February 2020.

### Constitution of Committees of the Board

#### Audit Committee

In terms of the provisions of Section 177 of the Act read with Companies (Meeting of the Board and its Powers) Rules, 2014, the Audit Committee was constituted with following members:

Name	Position
Mr. K Jairaj (Non-Executive & Independent Director)	Chairman
Mrs. Chitra Bhatnagar (Non-Executive & Independent Director)	Member
Mr. Sagar Adani, Director	Member

#### Nomination & Remuneration Committee:

In terms of the provisions of Section 178 of the Act read with Companies (Meeting of the Board and its Powers) Rules, 2014 the Nomination and Remuneration Committee was constituted with following members:

## Directors' Report (Contd.)

Name	Position
Mr. K Jairaj (Non-Executive & Independent Director)	Chairman
Mrs. Chitra Bhatnagar (Non-Executive & Independent Director)	Member
Mr. Sagar Adani, Director	Member

The terms of reference of the Audit and Nomination & Remuneration Committee(s) are as per provisions of the Companies Act, 2013.

### Auditors and Auditors Report

M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) Statutory Auditors of the Company holds the office until the conclusion of 15th Annual General Meeting of the Company.

The observations and comments given by the Auditors in their report together with notes to Accounts are self-explanatory and hence do not call for any further comments under Section 134 of the Companies Act, 2013 and Companies (Accounts) Rules, 2014.

The Auditors have not reported any instance of fraud on or by the Company under Section 143(12) of the Companies Act, 2013.

The Auditors Report is enclosed with the financial statements in this Annual Report.

### Cost Auditors

As per Section 148 of the Companies Act, 2013, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice. In this connection, pursuant to the provisions of the Act and the Companies (Audit and Auditors) Rules, 2014, the Board of Directors have appointed M/s Joshi Apte & Associates, Cost Accountants (Firm Registration Number 00240), as the Cost Auditors of the Company for conducting the cost audit of Power Generation, Transmission and Distribution Business of the Company for the financial year ended 31st March, 2020, and their remuneration is ratified by the members at the Extra-ordinary General Meeting held on 3rd September 2019.

### Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Ashita Kaul & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company. There is no qualification, reservation or adverse remark made by the Secretarial Auditor in the Secretarial Audit Report. The Audit Report of the Secretarial Auditor is attached hereto as **Annexure C**.

### Fixed Deposits

During the year under review, the Company has not accepted deposits within the meaning of Section 73 of the Act and the Rules made thereunder.

### Particulars of loans, guarantees and investments

The provisions of Section 186 of the Act, with respect to loan, guarantee or security are not applicable to the Company as Company is engaged in providing infrastructural facilities which is exempted under Section 186 of the Act. The details of Investments made by the Company during the year under review are provided in the financial statements.

### Related Party Transactions

There have been no materially significant related party transactions between the Company and the Directors, the management, or the relatives except for those disclosed in the financial statements. All the related party transaction entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contract or arrangement in Form AOC-2 does not form part of the report.

### Insurance

The Company has taken appropriate insurance for all assets against foreseeable perils.

### Particulars of Employees

Statement pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forming part of the Directors' Report for the year ended 31st March 2020 is annexed to this Report as **Annexure D**.

### Conservation of Energy, Technology Absorption and 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-E.

### Vigil Mechanism

In accordance with Section 177 of the Act the Company has formulated a Vigil Mechanism to address the genuine concern, if any of the directors and employees.

### Board Evaluation

The Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees



## Directors' Report (Contd.)

and individual Directors, including the Chairman of the Board. The exercise was carried out through an evaluation process covering various aspects of the Board functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc.

### Prevention of Sexual Harassment at Workplace

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

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.

### Corporate Social Responsibility

The Company has constituted a Corporate Social Responsibility (CSR) Committee and has framed a CSR Policy. The Annual Report on CSR activities is annexed to this Report as **Annexure-F**.

The policy has been amended and revised policy has been approved by the Board of Directors of the Company at their meeting held on 10th February 2020. Amendment has been made in the policy with regard to identification of CSR projects. The revised CSR Policy is available on the website.

### Internal Financial Controls and their adequacy

The Company has in place adequate internal financial controls. During the year under review, such controls were tested and no reportable material weaknesses in the design or operation were observed.

### Risk Management Policy

The Company has formulated and implemented Risk Management Policy including identification therein of the elements of risks, which in the opinion of the Board may threaten the existence of the Company.

### Significant and Material Orders passed by the regulators or courts or tribunals

No orders have been passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations during the year under review.

### Secretarial Standards

The Company has complied with the applicable Secretarial Standards.

### Acknowledgement

Your Directors are highly appreciative and grateful for all the guidance, support and assistance received from the Government, Financial Institutions and Banks. Your Directors thank 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**

SD/-

**Anil Sardana**

Chairman

(DIN: 00006867)

Place: Mumbai

Date: 07 May, 2020

# Directors' Report (Contd.)

Annexure A

FORM NO. MGT.9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

- i) CIN: - **U74999GJ2008PLC107256**
- ii) Registration Date: **18/09/2008**
- iii) Name of the Company: **Adani Electricity Mumbai Limited (formerly Reliance Electric Generation and Supply Limited)**
- iv) Category / Sub-Category of the Company: **Company Limited by Shares, Indian Non- Government Company**
- v) Address of the registered office and contact details: **Adani House, 56, Shrimali Society Nr. Mithakhali Six Roads, Navrangpura Ahmedabad GJ 380009 IN,**
- vi) Whether listed company Yes / No: **No**
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:

**Karvy Computershare Private Limited**

**Karvy Selenium, Tower – B, Plot No. 31 & 32 Survey No. 116/22, 115/24, 115/25, Financial District, Nanakramguda**

**Hyderabad 500 032, Tel.: +91 40 6716 1500 Fax: +91 40 6716 1791**

**Toll Free No.: 1800 4250 999**

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated: -

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Power Business	351	97.85%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Adani Transmission Limited Adani House, Nr. Mithakhali Six Roads, Navrangpura Ahmedabad Ahmedabad GJ 380009 IN	L40300GJ2013PLC077803	Holding	74.9	2(46)
2	Adani Electricity Mumbai Infra Limited	U40106GJ2020PLC111877	Subsidiary	100	2(87)(ii)

## Directors' Report (Contd.)

### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>	--	--	--	--	--	--	--	--	--
<b>(1) Indian</b>	--	--	--	--	--	--	--	--	--
a) Individual /HUF	--	--	--	--	--	--	--	--	--
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt.(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corporate	340	0	340	100	301.15	0	301.15	74.9	-25.1
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (A)(1):</b>	<b>340</b>	<b>0</b>	<b>340</b>	<b>100</b>	<b>301.15</b>	<b>0</b>	<b>301.15</b>	<b>74.9</b>	<b>-25.1</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	100.92	0	100.92	25.1	+25.1
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (A)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoters (A)</b>									
<b>= (A)(1)+(A)(2)</b>	<b>340</b>	<b>0</b>	<b>340</b>	<b>100</b>	<b>402.08</b>	<b>0</b>	<b>402.08</b>	<b>100</b>	<b>+0.18</b>
<b>B. Public Shareholding</b>	--	--	--	--	--	--	--	--	--
<b>(1) Institutions</b>	--	--	--	--	--	--	--	--	--
a) Mutual Funds / UTI	--	--	--	--	--	--	--	--	--
b) Banks / FI	--	--	--	--	--	--	--	--	--
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt.(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
<b>Sub-Total (B)(1):</b>	--	--	--	--	--	--	--	--	--
<b>(2) Non-Institutions</b>	--	--	--	--	--	--	--	--	--
<b>a) Bodies Corporate</b>	--	--	--	--	--	--	--	--	--
i) Indian	--	--	--	--	--	--	--	--	--
ii) Overseas	--	--	--	--	--	--	--	--	--
<b>b) Individuals</b>	--	--	--	--	--	--	--	--	--
i. Individual shareholders holding nominal share capital up to Rs.1 Lakh.	--	--	--	--	--	--	--	--	--
ii. Individual shareholders holding nominal share capital in excess of Rs.1 Lakh.	--	--	--	--	--	--	--	--	--

## Directors' Report (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>c) Others (specify)</b>	--	--	--	--	--	--	--	--	--
i) Shares held by Pakistani citizens vested with the Custodian of Enemy property	--	--	--	--	--	--	--	--	--
ii) Other Foreign Nationals	--	--	--	--	--	--	--	--	--
iii) Foreign Bodies	--	--	--	--	--	--	--	--	--
iv) NRI / OCBs	--	--	--	--	--	--	--	--	--
v) Clearing Members / Clearing House	--	--	--	--	--	--	--	--	--
vi) Trusts	--	--	--	--	--	--	--	--	--
vii) Limited Liability partnership	--	--	--	--	--	--	--	--	--
viii) Foreign Portfolio investor (corporate)	--	--	--	--	--	--	--	--	--
ix) Qualified Foreign Investor	--	--	--	--	--	--	--	--	--
<b>Sub-Total (B)(2):</b>	--	--	--	--	--	--	--	--	--
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	--	--	--	--	--	--	--	--	--
<b>C. Shares held by Custodian for GDRs &amp; ADRS</b>	--	--	--	--	--	--	--	--	--
<b>Grand Total (A+B+C)</b>	<b>340</b>	<b>0</b>	<b>340</b>	<b>100</b>	<b>402.08</b>	<b>0</b>	<b>402.08</b>	<b>100</b>	<b>+0.18%</b>

### (ii) Shareholding of Promoters

(No. in Crores)

Shareholders Name	Shareholding at the beginning of the year (01.04.2019)			%	Shareholding at the end of the year (31.03.2020)			%	% change in share-holding during the year
	Demat	Physical	Total		Demat	Physical	Total		
Adani Transmission Limited	340	--	340	100	301.15	--	--	--	(25.1)
Qatar Holding LLC	--	--	--		100.92	--	100.92	100	+25.1
<b>Total</b>	<b>340</b>	<b>--</b>	<b>340</b>	<b>100</b>	<b>402.08</b>	<b>--</b>	<b>100.92</b>	<b>100</b>	<b>--</b>

### (iii) Change in Promoters' Shareholding:

Sr. No.	Shareholding at the beginning of the year	Cumulative shareholding during the year	
		No of shares	% of total shares of the Company
At the beginning of the year Adani Transmission Limited	340	100	--
Date wise increase/ decrease in promoters shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	--	--	62.07
Allotment of 62,07,73,535 shares to Adani Transmission Limited on 31st January 2020			15.44
Transfer of shares to Qatar Holdings LLC on 10th February 2020	--	--	100.92
At the end of the year	--	--	402.08
			100



## Directors' Report (Contd.)

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) – Nil

(v) **Shareholding of Directors and Key Managerial Personnel:** None of the Directors and Key Managerial Personnel are holding any share of the Company.

### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹ In crore

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	9,551.85	460.25	-	10,012.10
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	22.65	20.45	-	43.10
<b>Total (i+ii+iii)</b>	<b>9,574.50</b>	<b>480.70</b>	<b>-</b>	<b>10,055.20</b>
Change in Indebtedness during the financial year				
• Addition	15,707.08	139.15	-	15,846.23
• Reduction	14,101.63	588.36	-	14,689.99
Net Change	1605.45	(449.21)	-	1,156.24
Indebtedness at the end of the financial year				
i) Principal Amount	11,157.30	11.04	-	11,168.34
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	63.68	-	-	63.68
<b>Total (i+ii+iii)</b>	<b>11,220.98</b>	<b>11.04</b>	<b>-</b>	<b>11,232.02</b>

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/ or Manager

Rs. In Crore

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager Mr. Kandarp Patel (MD) *			Total Amount
1.	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL	NIL	NIL
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission	NIL	NIL	NIL	NIL
	- as % of profit				
	- others, specify...				
5.	Others, please specify	NIL	NIL	NIL	NIL
	Total (A)	NIL	NIL	NIL	NIL
	Ceiling as per the Act			N.A.	

\* Mr Kandarp Patel, Managing Director & CEO is not drawing any remuneration from the Company.

## Directors' Report (Contd.)

### B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors		
	• Fee for attending board committee meetings	Mr. K Jairaj	2,75,000
	• Commission	Mrs. Chitra	25,000
	• Others, please specify	Bhatnagar	
	<b>Total (1)</b>		<b>3.00.000</b>
2	Other Non-Executive Directors		NIL
	• Fee for attending board committee meetings		NIL
	• Commission		
	• Others, please specify		
	<b>Total (2)</b>		<b>NIL</b>
	<b>Total (B) = (1 + 2)</b>		<b>3.00.000</b>
	Total Managerial Remuneration		3.00.000
	Overall Ceiling as per the Act		Rs. 8.61 crore

### C REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTG:

₹ In Crore

Sl. no.	Particulars of Remuneration	Key Managerial Personnel				Total
		Mr. Kandarp Patel (Chief Executive Officer)*	Mr Rakesh Tiwary (Chief Financial Officer)	Mr Abhijit Banerjee (Company Secretary) (Upto 12th March 2020)	Mr Jaladhi Shukla (Company Secretary) (w.e.f. 12th March 2020)**	
1.	Gross salary					
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	1.56	0.39	-	1.95
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission	-	-	-	-	-
	- as % of profit					
	- others, specify					
5.	Others, please specify	-	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>1.56</b>	<b>0.39</b>	<b>-</b>	<b>1.95</b>

\*Mr. Kandarp Patel, Managing Director & CEO is not drawing any remuneration from the Company.

\*\*Mr. Jaladhi Shukla, Company Secretary is not drawing any remuneration from the Company.

## Directors' Report (Contd.)

### VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
PENALTY	NIL	NIL	NIL	NIL	NIL
PUNISHMENT	NIL	NIL	NIL	NIL	NIL
COMPOUNDING	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

# Directors' Report (Contd.)

Annexure-B

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

#### Part A Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1. Sl. No. 1
2. Name of the subsidiary : **Adani Electricity Mumbai Infra Limited**
3. The date since when subsidiary was acquired : **3rd January, 2020**
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period.  
**3rd January, 2020 to 31st March, 2021**
5. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. **Not applicable**
6. Share capital: **1.00.000**
7. Reserves and surplus: **(13,254)**
8. Total assets: **101,57,535**
9. Total Liabilities: **100,70,789**
10. Investments: -
11. Turnover: -
12. Profit before taxation: **(13,254)**
13. Provision for taxation: -
14. Profit after taxation: **(13,254)**
15. Proposed Dividend: **Not Applicable**
16. Extent of shareholding (in percentage): **100%**



## Directors' Report (Contd.)

Annexure C

Form No. MR-3

### SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2020

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 09 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To  
The Members,  
**Adani Electricity Mumbai Limited**  
Adani House, 56, Shrimali Society Nr. Mithakhali  
Six Roads, Navrangpura, Ahmedabad-380009.

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 March 31, 2020 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 March 31, 2020 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: Not Applicable;
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;

## Directors' Report (Contd.)

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 instances of holding meetings at shorter notice(s) 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.

All decisions at Board Meetings are carried out unanimously as recorded in the minutes of the meetings of Board of Directors.

**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 Circular Resolution were passed by Board of Directors on dated 29.08.2019 for Appointment of Mrs. Chitra Bhatnagar as a Non-Executive Woman Director.

**We further report that,** during the audit period following resolutions have been passed by the company for-

- i) Creation of charge and increase in borrowing limits of the Company pursuant to Section 180(1)(a) and 180(1)(c) of the Act,
- iv) Amendment and adoption of new set of Articles of Association of the Company pursuant to Section 14 of the Act,
- v) Approval for making of loan/ giving of guarantee(s), and/or providing of security(ies) by the Company pursuant to Section 185 of the Act;

For **Ashita Kaul & Associates**  
Company Secretaries

Date: 7th May, 2020  
Place: Mumbai

Proprietor  
FCS 6988/ CP 6529

# Directors' Report (Contd.)

Annexure D

## ADANI ELECTRICITY MUMBAI LIMITED

### DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

#### PARTICULARS OF EMPLOYEES

Sr. No.	Name of the Employee	Designation	Remuneration Received	Nature of employment, whether contractual or otherwise	Qualification & Experience	Date of Commencement of Employment	Age	Last Employment held	Percentage of equity shares held in the Company	Whether relative of any director or manager, and if so, name of such director or manager
1	Kapil Sharma	COO - Distribution	15,365,918	Permanent	BE-Others 26 Years	15/04/1996	49 Years	Hindustan Lever Ltd.	NIL	NA
2	Manoj Kumar Sharma	Head HR	18,462,938	Permanent	BA,PGDIRPM 30 Years	01/10/2013	55 Years	Adani Infra India Ltd	NIL	NA
3	Abhay Tamhane	HR BP & Head IR	11,895,112	Permanent	BA,MSW 37 Years	30/09/2008	59 Years	Adani Power (Mundra) Ltd.	NIL	NA
4	Rakesh Tiwary	CFO	16,620,914	Permanent	B.Com.,CA-,ICWA,CS,MBA 24 Years	15/02/2016	49 Years	Mundra Solar Pvt Ltd	NIL	NA
5	Nitin Kumar Rohilla	Vice President	11,448,360	Permanent	BE-Electrical Engg, MBA- Others 29 Years	15/10/2018	52 Years	Freelancer with Pidilite	NIL	NA
6	Pijush Kanti Gupta	Senior Vice President	7,939,910	Permanent	BE-Mechanical Engg 26 Yrs	05/08/2019	49 years	Cairn India Ltd	NIL	NA

# Directors' Report (Contd.)

## Annexure – E

Disclosure under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 regarding Conservation of Energy and Technology Absorption

### A. Conservation of Energy

#### Adani Dahanu Thermal Power Station

##### a. Energy Conservation measures taken at Power Stations and Offices:

Following initiatives taken in ADTPS Unit # 2 during annual overhaul in Jan-Feb 2020

- i. Replacement of IP turbine for Heat rate improvement.
- ii. Overhauling of LP Turbine for efficiency improvement.
- iii. Replacement of Flue gas and Secondary air duct expansion bellows to reduce loading on Boiler fans.
- iv. High Pressure Heater (HPH) 5 and 6 parting plate strengthening done to improve heat transfer and thereby Heat rate improvement.
- v. Air Preheater (APH) – Radial Seals are modified with double seals to reduce APH seal leakages and thereby Auxiliary power reduction.
- vi. Auxiliary power reduction by de-staging of Condensate Extraction Pump (CEP) impeller.

##### b. Impact of measures outlined at (a) above on Energy Consumption:

- i. Improvement in plant heat rate
- ii. Improvement in plant performance
- iii. Reduction in auxiliary power consumption
- iv. Improvement in plant heat rate
- v. Reduction in auxiliary power consumption
- vi. Reduction in auxiliary power consumption;

##### c. The capital investment on energy conservation equipments:

- i. Refurbishment & replacement of IP turbine in Unit-1
- ii. Refurbishment of BFP hydraulic coupling with Modified gear ratio in Unit-1 & 2
- iii. De-staging of Condensate Extraction Pump (CEP) pump.
- iv. Provision of double radial seal APH in Unit-1
- v. Refurbishment of Boiler - Eco & Re-heater coils, Headers, Hanger tubes.
- vi. Replacement of Medium and Low voltage (MV/LT) Variable Frequency Drives (VFD).
- vii. Replacement of existing lights with LED light.

#### Transmission Business

- a. The steps taken by the company for utilising alternate sources of energy: Solar Panels being installed (Total 245 kW) at Aarey, Versova & Ghodbunder EHV Sub Stations.
- b. The capital investment on energy conservation equipments: Rs. 0.97 Crore.

#### Distribution Business

##### a. Energy Conservation measures under taken:

The Company conducts energy conservation and energy efficiency (EC and EE) programmes to create awareness in the society on the importance of energy conservation and smart usage of energy in order to reduce environmental damage due to Green House Gas (CHG) emission. The ultimate goal is to make every



## Directors' Report (Contd.)

citizen of licensed area of the Company a part of this programme and make this programme as citizen's movement. Following are the initiatives undertaken during financial year:

- The Company continues to pursue other programmes, such as, walkthrough energy audit services at no cost to consumers, under which company has covered over 51 consumers with potential saving of 0.6 million units.
- Under large scale program of replacement of 50,000 energy efficient ceiling fan for residential consumers, in this financial year the Company has replaced 683 old inefficient ceiling fans with new BLDC technology 32 watts ceiling fans resulting in savings of 99,000 units.
- Under similar large scale program of replacement of 20,000 inefficient refrigerator of residential consumers, in this financial year Company has replaced 554 old refrigerators by 5 star refrigerators, which resulted in 2,00,000 Units.
- During current financial year the Company has replaced 63,262 numbers of HPSV streetlights by LED streetlights resulting into monthly energy savings of 1.33 million units. The current financial year saving is 16.20 million units.
- The Company through Urja Samvardhan Upakaram programme, conducted workshops in various academic institutions, offices, banks, hospitals, industrial estates, housing societies, slum areas, etc. reaching out to around 2,000 people and educated them on 'Why to conserve and how to conserve energy'.
- Energy saving programs implemented by the Company in past years, still continues to accrue energy savings as under:
- The Company under its "5-Star Split Air Conditioner (AC) program for residential, commercial & Industrial consumers" program of replacing old window AC units with new energy efficient 5-star rated split ACs, replaced 3000 ACs till this financial year. The estimated annual energy saving from this program is 2.97 million units (MU) and cumulative estimated energy savings from this program is 10.38 million units.
- The Company has already completed replacement of 25,000 old Ceiling Fans by 5 Star Ceiling fans giving annual saving of 1.59 MUs,
- Replacement of 6,500 old Refrigerators by 5 Star Refrigerators for residential consumers resulting in cumulative savings of 14.5 MUs.
- The Company is also facilitating and promoting DELP (Domestic Efficient Lighting Program) which is under Ministry of Power, of the Government of India under which 2.8 lakh LED bulbs and tube lights are distributed in association with Energy Efficiency Services Limited (EESL) to residential consumers resulting in cumulative energy saving of 8 million units till date.

b. Impact of measures outlined at (a) above on Energy Consumption:

Energy savings due initiatives taken during financial year are 18.689 million units amounting to 16820 tonnes of CO<sub>2</sub> reduction. The cumulative savings of energy efficiency programs implemented by Company till this financial year are of 53.8 million units.

c. The steps taken by the company for utilising alternate sources of energy:

Through its proactive approach, Company encourages and provide technical support to its consumers to install roof top solar plants to utilizing alternate source of energy. During this financial year 5680 Kw capacity roof top solar panels are installed by consumers (thereby taking overall installed capacity to 16,180 Kw) of the Company.

d. The capital investment on energy conservation equipments:

During FY 2019 -20 zero subsidy given by the Company to its consumers under various energy efficiency programs.

## Directors' Report (Contd.)

### B. Technology Absorption

#### Adani Dahanu Thermal Power Station

- a. The Efforts made towards technology absorption
  - i. Installation of modified hydraulic coupling with new gear ratio to reduce auxiliary power consumption.
  - ii. Upgradation for remote calibration facility in SOX and NOX analyzers for Unit 1 and 2.
  - iii. Installation of air pressure booster system for Boiler feed pump (BFP) recirculation valve (RC) to increase the air pressure locally.
- b. Benefits derived
  - i. Benefit in terms of power saving per day during daily operation.
  - ii. Benefits observed are trouble free operation with Remote calibration facility to State and Central Pollution Control Board (MPCB/CPCB). Also ensure continuous data availability to Statutory bodies
  - iii. After installation of air boosters in all Boiler feed pump (BFP) recirculation valve valves, loading/Unloading setting of compressor system reduced and results in Energy saving per day.

#### Transmission Business

- a. The efforts made towards technology absorption:
  - i. Augmentation of SCADA based automatic Load shedding scheme across all Transmission EHV Sub Stations.
  - ii. Installation of Power Quality Analyzers at all Transmission EHV Sub Stations.
  - iii. Cyber Security Controls for SCADA system as per IEC 62443, NERC, NCIIPC guidelines & best global practices, deployment is in progress
  - iv. Power Transformer using synthetic ester oil instead of mineral oil
- b. Benefits derived:
  - i. Supporting Mumbai Islanding Scheme through Fine control of Automatic Load shedding in case of Grid Disturbance.
  - ii. Monitoring of Quality of Power delivered to Customers & analysis of root cause of Power Quality issues, if any.
  - iii. Cyber security Controls for SCADA will enhance the security posture of SCADA system against any cyber incidents
  - iv. Synthetic Ester has high flash point, beneficial for Transformers installed in densely populated area ensuring high fire safety
- c. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

Sr No	Technology imported	Year of import	Status
i.	Travelling Wave Fault locator	2018-19	Absorbed
ii.	Optical CT (To enable auto re-closure of hybrid transmission lines)	2018-19	Absorbed
iii.	Augmented reality technology for outage management in 220kV EHV Station & 220kV Cable System	2018-19	Absorbed
iv.	Intrusion detection system for underground EHV Cable System	2019-20	In process
v.	Gas Insulated Bus duct (220kV)	2019-20	Absorbed

#### Distribution Business

- a. The efforts made towards technology absorption:

In order to promote Electric Mobility, Company has procured 12 electric bikes and 6 electric cars for its field staff. Company has set up 7 no of electric vehicle charging stations, out of which 2 charging stations are set up for public electric vehicles. Additionally, the team is exploring use of battery storages at various transmission

## Directors' Report (Contd.)

locations of AEML.

For increasing the reliability of its distribution network, Company continuously tracks the new technologies coming in the market. NM team in line with the philosophy of continuously increasing reliability by adopted/ implemented new technology in 9 components of distribution system.

b. Benefits derived:

The benefits derived or likely to be derived out of the technology absorption are as under:

Electric Vehicle Charging Stations:

Replacement of petrol vehicles by electric vehicles to field staff resulted in to saving of petrol to the tune of 10,000 liters annually.

LT watertight cable:

- Fully watertight construction- Water blocked conductors restricts longitudinal water travel - Prevents conductor damage by nonconductive hydroxide formation
- Water swellable tapes over laid up cores prevents insulation degradation
- Water swellable tapes over armour prevents armour rusting
- Additional mechanical strength by HDPE sheathing

Natural Ester power transformer:

- Compact: 30% less foot- print wrt the mineral oil transformer
- Fire safe – flash point > 300 deg C
- Environmentally safe – Nontoxic and readily Biodegradable
- Higher moisture saturation limits- delayed maintenance

Pole mounted Substation:

- Reduced footprint by 25 and 75% wrt PSS and conventional substations
- Highly suitable for densely populated slums.
- Smaller capacity substation near the load resulting in reduction in power loss
- High construction speed 20 days vis-à-vis 120 days for conventional substation.

E-House (Packaged receiving station):

- Prefabricated containerized receiving station with pre-installed switchgear and auxiliaries at Sahakar Nagar, Kurla East and Bhavans Receiving station, Andheri West
- Lesser time in supply, installation and commissioning of complete system compared to conventional receiving stations
- Fire protection with 2 Hr. fire rating and IP 55 degree of protection
- Life cycle cost is lesser 10% lesser than conventional one

Metering RMU:

- Integrated metering panels with RMU for HT consumers
- Single Unit integrated as one product resulting saving in footprint by @ 25%. and
- Elimination of site cabling activities and connection points thereby improving reliability.

11kV switchboard with additional safety interlock.

- Introduction of solenoid-based interlock for operating rear doors
- Brought enhanced safety for personnel working on switchboards with this feature in all 11KV switchboards.

## Directors' Report (Contd.)

### Rising Mains system

- Highly reliable, fire resistant & proven solution for LT distribution in high rise buildings.
- Compact, extendible in design and suitable for providing floor wise metering solutions.
- Maintenance free

### LED street lighting in Brihanmumbai Municipal corporation area

- Operation and maintenance responsibility of street lighting in supply area with AEML
- Design criteria of at least 40% energy saving set in line with GOM's directive and MCGM's requirements
- Designed, procured, tested and successfully replaced around 1.25 lack HPSV luminaries by energy efficient LED luminaires without change in illumination levels.

### Temperature monitoring in LV panels of substations and PSS

- Temperature monitoring system (Scanner and PT100 sensors) in LV panels to improve performance of LV switchgears
  - Predictive maintenance possible in place of breakdown maintenance
  - Reduction in losses, failures and down time of switchgears.
- c. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

Implemented Automated Meter Reading for HT Customers using 4G Modem Technology.

Expenditure incurred on R&D: NIL

### C. Foreign Exchange Earnings and Outgo

Total foreign exchange earnings and outgo for the financial year are as follows:

- Total foreign exchange earnings : NIL
- Total foreign exchange outgo: Rs. 377.76 Crore



# Directors' Report (Contd.)

## Annexure F

### Annual Report on Corporate Social Responsibilities (CSR) Activities As

#### Per Section 135 of the Companies Act, 2013

**1. A brief outline of the Company's CSR policy including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes**

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.

**2. The composition of the CSR Committee**

- Mr. Kandarp Patel: Chairman
- Mr. Sagar Adani : Member
- Mr. K Jairaj: Member

**3. Average net profit/(loss) of the Company for last three financial years:**

Average net loss: Rs. 46.16 Crore

**4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):**

Rs 0.92 crore

**5. Details of CSR spent for the financial year**

a.Total Amount spent for the financial year: NIL

b.Amount unspent, if any: Rs 0.92 crore

c.Manner in which the amount is spent during the financial year is detailed below:

₹ In Crore

1. Sr No.	2. CSR project or activity identified	3. Sector in which the Project is covered	4. Projects or Programs 1.Local area or others- 2.State /district	5. Amount outlay (budget) project or program wise	6. Amount spent on the projects or programs 1.Direct expenditure 2.Overheads	7. Amount spent: Direct/ through implementing agency
1.	Slum Safety Awareness	Promoting and creating awareness about the electrical safety in slum area	Mumbai Maharashtra	0.92	-	Ongoing Project
<b>Total</b>				<b>0.92</b>	<b>-</b>	

**6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof:**

The minimum statutory requirement of CSR expenditure for FY 20 was about Rs. 0.92 Crores. The Company had initiated the process of finalizing the Projects, however, due to availability of CSR funds from ATL, new projects with impact on quality of life improvement could not be materialized during the year and accordingly the Company could not spend the said minimum statutory amount towards CSR activities during the year under review. The unspent CSR amount of Rs. 0.92 Crores for FY 20 is carried forward towards CSR obligation of the Company for the subsequent years. As a good governance measure, we have parked the said unspent amount in a separate fixed deposit account and endeavor to spend the entire unspent amount together with its interest on CSR activities during FY 21.

## Directors' Report (Contd.)

The Company is committed to continually explore new opportunities which align to its CSR objectives and in future the Company will endeavor to spend the entire CSR budgeted amount of the respective financial years in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

### 7. The CSR Committee hereby confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and the Policy of the Company.

### 8. Details of CSR programme

The following voluntary initiatives were taken by the Company during the ongoing COVID-19 situation -

1. Distribution of food items to needy people in Dahanu;
  - Total identified Families: 237
  - support to be extended till 15th June 2020
  - total estimated expenditure till 15th June 2020: Rs 20 lakhs
  - Food items to be distributed in every 15 days
2. Distribution of food grains & grocery for needy persons, jobless & migrant labour during lockdown in various parts of suburbs in Mumbai as approved and appeal received from local authorities.
3. Organizing breakfast to security guards and Kiosk operators.
4. Dedicated transport services and food for essential on field staff, proper care of hygiene, safeguarding their health is being taken care off by providing them mask, hand sanitizers, gloves.
5. Expenses of Rs. 35 lakhs incurred on essential items.

CSR activities undertaken by distribution business of the Company –

AEML as a responsible corporate entity undertakes appropriate Corporate Social Responsibility (CSR) measures having positive economic, social and environmental impact to transform lives and to help build more capable and vibrant communities by integrating its business values and strengths. In its continuous efforts to positively impact the society, especially the areas around its sites and offices, the Company has formulated guiding policies for social development, targeting the inclusive growth of all stakeholders under various specific categories including promoting education, environment sustainability, economic empowerment, rural development, health care and sanitation.

#### A. Community Engagement/ Others - Old, quality clothes collected from the Employees of AEML to be distributed among needy people.

#### B. Sustainable Livelihood –

##### MERI SANGINI –

- d) The program launched as a pilot in Aarey & Tilak Nagar Area, Chembur aims to create a cadre of women entrepreneurs who can become community leaders, or counselors and advisors to citizens on various topics like welfare, financial inclusion, women empowerment.
- e) Implementing partner HAQDARSHAK had identified 15 Sanginis and educating them on 'Meri Sangini App' about various Government schemes and documents.
- f) Also, it aims to train women on best practices for prevention of domestic violence & educating them on their health and hygiene both personal and of the area they stay in.

##### Project SAKSHAM –

- d) To provide needy & destitute women with Multiple skill development options like Digital literacy, Tailoring, Nursing, Meter Reading, Bill Distribution, Driving, Cooking, E Commerce product delivery, Call centre, etc, which will make them competent to earn a sustainable livelihood.
- e) In addition, training on the softer aspect of conduct, mannerism, mortality etc. shall also be imparted.

## Directors' Report (Contd.)

- f) The Skill centre has been identified in Versova, Andheri west.
- C. Safety+Swachhagraha Programme launch - AEML with support from BMC launched "Safety + Swachhagraha" programme in 2269 schools in Mumbai, which includes Municipal Corporation, Aided & Self Finance Schools through a prerak Training Programme from 24th-26th Feb 2020.**
- c) This program executed through Swachhagraha dals and Preraks in schools, which aims to use children as change agents to bring about behavioral and attitudinal change
- d) It will help in building a culture of cleanliness & spreading awareness on Safety from any kind of electricity accidents, natural and man-made disasters, fire, transportation, drinking water and other emergencies
- D. Knowledge Sharing session on Women & Child Safety –**
- b. A Knowledge Sharing Session was conducted on 14th Feb 2020 in coordination with Mumbai Police and their NGO affiliates covering Women and Child Safety, Prevention of Crime Against Women at Workplace, Cyber Crime & Security Consciousness As Dutiful Citizens Of Mumbai.
- E. Blood Donation - 6 Nos. of Blood Donation camps were set up with 184 nos. of Donors.**

Sd/-  
**Kandarp Patel**  
Managing Director & CEO  
(DIN 02947643)

Sd/-  
**K Jairaj**  
Director  
(DIN 01875126)

# Secretarial Audit Report

Form No. MR-3

## SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2020

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 09 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To  
The Members,

### Adani Electricity Mumbai Limited

Adani House, 56, Shrimali Society Nr. Mithakhali  
Six Roads, Navrangpura, Ahmedabad-380009.

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 March 31, 2020 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 March 31, 2020 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

## Secretarial Audit Report (Contd.)

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 instances of holding meetings at shorter notice(s) 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.

All decisions at Board Meetings are carried out unanimously as recorded in the minutes of the meetings of Board of Directors.

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) 29.08.2019 for Appointment of Mrs. Chitra Bhatnagar as a Non-Executive Woman Director.
- ii) 19.09.2019 for change of status of Mrs. Chitra Bhatnagar as Independent Director.
- iii) 16.12.2019 for appointment of Roshan Nilesh Vaishnav, Registered Valuer, for valuation of equity shares of the Company.

- iv) 23.12.2019 for approval of Unaudited Special Purpose Interim Condensed Financial Information for the half year ended 30th September, 2019
- v) 04.02.2020 for approving the draft of the Transaction Documents in relation to the proposed sale of equity shares held by Adani Transmission Limited ('ATL') in the Company representing 25.1% of the issued and outstanding shares of the Company on a fully diluted basis, to Qatar Holding LLC (the "Investor"), a limited liability company duly organized and existing under the laws of the State of Qatar.

We further report that, during the audit period following special resolutions have been passed by the company for-

- i) Creation of charge and increase in borrowing limits of the Company pursuant to Section 180(1)(a) and 180(1)(c) of the Act,
- ii) Amendment and adoption of new set of Articles of Association of the Company pursuant to Section 14 of the Act,
- iii) Approval for making of loan/ giving of guarantee(s), and/or providing of security(ies) by the Company pursuant to Section 185 of the Act;

For **Ashita Kaul & Associates**  
Company Secretaries

Place: Mumbai  
Date: 07 May, 2020

Proprietor  
FCS 6988/ CP 6529



# Independent Auditor's Report

To The Members of **Adani Electricity Mumbai Limited**

## Report on the Audit of the Standalone Financial Statements

### OPINION

We have audited the accompanying standalone financial statements of **Adani Electricity Mumbai Limited** (formerly known as "Reliance Electric Generation and Supply Limited") ("the Company"), which comprise the Balance Sheet as at 31 March, 2020, 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, 2020, and its profit, total comprehensive income, 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.

### 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 information included in the Directors'

report, 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.

## Independent Auditor's Report (Contd.)

### 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.

### 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.

## Independent Auditor's Report (Contd.)

- 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 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)

Place: Mumbai

(Membership No.105828)

Date: 07 May, 2020

(UDIN: 20105828AAAAV6814)

## Independent Auditor's Report (Contd.)

### 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 Electricity Mumbai Limited (formerly known as "Reliance Electric Generation and Supply Limited") ("the Company") as of 31 March, 2020 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 is 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

## Independent Auditor's Report (Contd.)

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, 2020, 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)

Place: Mumbai (Membership No.105828)  
Date: 07 May, 2020 (UDIN: 20105828AAAAAV6814)



## Independent Auditor's Report (Contd.)

### 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) In respect of the Company's fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, 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, however in case of certain assets, due to COVID-19, the management was not able to obtain the physical verification reports from the third party vendor. Management has planned to complete physical verification of these assets after COVID-19 situation normalizes so as to cover all the items in a phased manner over a period of three years as mentioned above. According to the information and explanations given to us, no material discrepancies were noticed on such verification. However, we are informed that distribution system being underground is not physically verifiable.
- (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 / Possession Certificate/ Lease agreement/ Encumbrance Certificate provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, other than self-constructed properties, which are freehold/leasehold, are held in the name of the Company as at the balance sheet date, except the following:

Particulars of the land and building	Total no. of cases	Gross Value (as at the balance sheet date) (₹ In Crore)	Net Value (as at the balance sheet date) (₹ In Crore)	Remarks
Leasehold land at various locations	5	0.06	0.06	Title deeds in respect of the same are currently not traceable.

The title deeds as above are in the erstwhile names of the Company viz: "Bombay Suburban Electric Supply Limited" / "Reliance Infrastructure Limited". The Company is in process of transferring the same in the name of the Company.

(ii) As explained to us, the inventories, other than those lying with a third party, were physically verified during the year by the Management at

reasonable intervals and no material discrepancies were noticed on physical verification. Confirmation has been obtained in respect of inventories in the custody of a third party.

- (iii) According to the information and explanations given to us, the Company has granted unsecured loans to two companies, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
  - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - (c) There is no overdue amount remaining outstanding as at the year-end.
- (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 deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Customs Duty, 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, Goods and Services Tax, Customs Duty, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

## Independent Auditor's Report (Contd.)

- (c) Details of dues of Service Tax which have not been deposited as on March 31, 2020 on account of disputes are given below:

Name of the Statute	Nature of dues	Amount (₹ In Crore)	Period to which it relates	Forum where it is pending
Finance Act, 1994	Service tax	25.61*	October 2011 to December, 2016	Central, Excise and Service Tax Appellate Tribunal, Mumbai
Finance Act, 1994	Service tax	307.34	July 2012 to June, 2017	Mumbai High Court

\* Net of ₹ 20.60 Crore paid/ adjusted under protest.

There were no dues of Income-tax, Goods and Services Tax, Sales Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2020 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 or government.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans raised have been applied during the year by the Company for the purposes for which they were obtained.
- (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 paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

- (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 accounting standards.

- (xiv) According to the information and explanations given to us, the Company has made preferential allotment of shares during the year under review for consideration other than cash and the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with. Company has not made private placement of shares or fully or partly convertible debentures.

- (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 or subsidiary 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)

Place: Mumbai

Date: 07 May, 2020

(UDIN: 20105828AAAAV6814)

# Balance Sheet as at 31 March, 2020

Particulars	Notes	(₹ in Crores)	
		As at 31 March, 2020	As at 31 March, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	5	12,378.06	11,797.77
Capital Work-in-Progress		375.53	239.75
Right-of-Use Assets	5a	157.29	-
Intangible Assets	5b	991.58	985.06
Intangible Assets Under Development		3.28	-
<b>Financial Assets</b>			
(i) Investments	6a	0.01	120.92
(ii) Loans	7	38.91	41.16
(iii) Other Financial Assets	8	866.10	40.41
Deferred Tax Assets (Net)	9 & 31	-	101.32
Other Non-current Assets	10	285.24	134.87
<b>Total Non-current Assets</b>		<b>15,096.00</b>	<b>13,461.26</b>
<b>Current Assets</b>			
Inventories	11	511.42	335.06
<b>Financial Assets</b>			
(i) Investments	6b	185.07	43.55
(ii) Trade Receivables	12	552.00	425.70
(iii) Cash and Cash Equivalents	13	122.69	91.40
(iv) Bank Balances other than (iii) above	14	502.41	283.47
(v) Loans	7	1,631.03	8.53
(vi) Other Financial Assets	8	543.96	1,113.71
Other Current Assets	10	313.55	103.04
<b>Total Current Assets</b>		<b>4,362.13</b>	<b>2,404.46</b>
<b>Total Assets before Regulatory Deferral Account</b>		<b>19,458.13</b>	<b>15,865.72</b>
<b>Regulatory Deferral Account - Assets</b>	42	<b>247.73</b>	<b>1,105.59</b>
<b>Total Assets</b>		<b>19,705.86</b>	<b>16,971.31</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital	15	4,020.82	3,400.05
Unsecured Perpetual Instrument	16	-	257.23
Other Equity	17	503.51	386.89
<b>Total Equity</b>		<b>4,524.33</b>	<b>4,044.17</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	18	10,150.70	7,902.19
(ii) Trade Payables	19		
(A) total outstanding dues of micro enterprises and small enterprises; and		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		29.35	21.80
(iii) Lease Liability obligation	20	69.68	
(iv) Other Financial Liabilities	24	82.17	-
Provisions	21	248.24	438.54
Deferred Tax Liabilities (Net)	9 & 31	50.42	-
Other Non Current Liabilities	22	278.06	224.83
<b>Total Non-current Liabilities</b>		<b>10,908.62</b>	<b>8,587.36</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	23	984.31	985.61
(ii) Trade Payables	19		
(A) total outstanding dues of micro enterprises and small enterprises; and		48.41	0.28
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		1,480.85	1,170.99
(iii) Lease Liability obligation	20	34.34	-
(iv) Other Financial Liabilities	24	853.23	1,603.81
Other Current Liabilities	22	284.73	238.24
Provisions	21	58.50	60.21
Current Tax Liabilities	25	24.21	9.08
<b>Total Current Liabilities</b>		<b>3,768.58</b>	<b>4,068.22</b>
<b>Total Liabilities before Regulatory Deferral Account</b>		<b>14,677.20</b>	<b>12,655.58</b>
<b>Regulatory Deferral Account - Liabilities</b>	42	<b>504.33</b>	<b>271.56</b>
<b>Total Equity and Liabilities</b>		<b>19,705.86</b>	<b>16,971.31</b>

See accompanying notes forming part of the financial statements

As per our attached report of even date

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

ICAI Firm Registration Number : 117366W/W-100018

**Mohammed Bengali**

Partner

Membership No. 105828

For and on behalf of the Board of Directors

**ADANI ELECTRICITY MUMBAI LIMITED****Anil Sardana**

Chairman

DIN: 00006867

**Rakesh Tiwary**

Chief Financial Officer

**Kandarp Patel**

Managing Director &amp; CEO

DIN.: 02947643

**Jaladhi Shukla**

Company Secretary

Place : Mumbai

Date : 7 May, 2020

Place : Ahmedabad

Date : 7 May, 2020

# Statement of Profit and Loss for the year ended 31 March, 2020

		(₹ in Crores)	
Particulars	Notes	For the year ended 31 March, 2020	For the year ended 31 March, 2019
<b>INCOME :</b>			
Revenue from Operations	26	7,705.36	7,493.93
Other Income	27	165.01	148.52
<b>Total Income</b>		<b>7,870.37</b>	<b>7,642.45</b>
<b>EXPENSES :</b>			
Cost Of Power Purchased		2,679.13	2,958.41
Cost of Fuel		1,018.23	1,193.56
Transmission Charges		403.16	391.19
Purchases of traded goods		28.95	10.68
Employee Benefit Expense	28	894.15	867.88
Finance Costs	29	1,118.49	1,001.82
Depreciation and Amortisation Expenses	5,5a&5b	510.46	492.71
Other Expenses	30	732.23	714.65
<b>Total expenses</b>		<b>7,384.80</b>	<b>7,630.90</b>
<b>Profit/(Loss) Before Movement in Regulatory Deferral Balance, Exceptional Items and Tax</b>	<b>42</b>	<b>485.57</b>	<b>11.55</b>
Add/(Less): Net Movement in Regulatory Deferral Balance		(232.77)	157.59
<b>Profit/(Loss) Before Exceptional Items and Tax</b>		<b>252.80</b>	<b>169.14</b>
Exceptional items		-	-
<b>Profit/(Loss) Before Tax</b>		<b>252.80</b>	<b>169.14</b>
<b>Tax Expense:</b>	<b>31</b>		
Current Tax		50.84	41.98
Deferred Tax		151.74	65.68
		<b>202.58</b>	<b>107.66</b>
<b>Profit/(Loss) after tax</b>	<b>Total A</b>	<b>50.22</b>	<b>61.48</b>
<b>Other Comprehensive Income / (Expense)</b>			
(a) Items that will not be reclassified to profit or loss			
-Remeasurement of Defined Benefit Plans		(20.68)	0.03
-Income Tax Impact		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		(13.24)	-
<b>Other Comprehensive Income / (Expense)</b>	<b>Total B</b>	<b>(30.31)</b>	<b>0.03</b>
<b>Total Comprehensive Income</b>	<b>Total (A+B)</b>	<b>19.91</b>	<b>61.51</b>
<b>Earnings Per Share (EPS) (in ₹)</b>	<b>32</b>		
<b>(Face Value ₹ 10 Per Share)</b>			
Basic / Diluted earnings per Equity Share before net Movement in Regulatory Deferral Balance		0.62	(0.37)
Basic / Diluted earnings per Equity Share after net Movement in Regulatory Deferral Balance		0.08	0.22

See accompanying notes forms part of the financial statements

As per our attached report of even date  
**For Deloitte Haskins & Sells LLP**  
 Chartered Accountants  
 ICAI Firm Registration Number : 117366W/W-100018

**Mohammed Bengali**  
 Partner  
 Membership No. 105828

For and on behalf of the Board of Directors  
**ADANI ELECTRICITY MUMBAI LIMITED**

**Anil Sardana**  
 Chairman  
 DIN: 00006867

**Rakesh Tiwary**  
 Chief Financial Officer

**Kandarp Patel**  
 Managing Director & CEO  
 DIN.: 02947643

**Jaladhi Shukla**  
 Company Secretary

Place : Mumbai  
 Date : 7 May, 2020

Place : Ahmedabad  
 Date : 7 May, 2020

## Statement of changes in equity

### A. EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	No. Shares	Amount
Balance as at 01 April, 2018	50,000	0.05
Issue of shares during the year	3,400,000,000	3,400.00
<b>Balance as at 31 March, 2019</b>	<b>3,400,050,000</b>	<b>3,400.05</b>
Issue of shares during the year	620,773,535	620.77
<b>Balance as at 31 March, 2020</b>	<b>4,020,823,535</b>	<b>4,020.82</b>

### B. UNSECURED PERPETUAL INSTRUMENT - SHAREHOLDER LOAN

(₹ in Crores)

Particulars	Amount
Balance as at 01 April, 2018	
i) Raised during the year	243.06
ii) Distribution on Unsecured Perpetual Instrument(net)	14.17
iii) Repaid during the year	-
<b>Balance as at 31 March, 2019</b>	<b>257.23</b>
i) Raised during the year	-
ii) Distribution on Unsecured Perpetual Instrument(net)	23.72
iii) Repaid during the year	280.95
<b>Balance as at 31 March 2020</b>	<b>-</b>

### C. OTHER EQUITY

FOR THE PERIOD ENDED 31 MARCH, 2020

(₹ in Crores)

Particulars	Reserves and Surplus				Items of Other Comprehensive Income	Total
	Capital Reserve	Contingency Reserve Fund	Share Premium Account	Retained Earnings	Cashflow Hedge Reserve	
Balance as at 01 April, 2018	-	-	-	(47.54)	-	(47.54)
Acquired on Business Combination	-	157.89	-	-	-	157.89
Arising on Business Combination	230.78	-	-	-	-	230.78
Profit/(Loss) for the year	-	-	-	61.48	-	61.48
Other comprehensive Income / (Expense) for the year (net of tax)	-	-	-	0.03	-	0.03
<b>Total comprehensive Income / (Expense) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61.51</b>	<b>-</b>	<b>61.51</b>
Distribution on Unsecured Perpetual Instrument(net)	-	-	-	(15.75)	-	(15.75)
Transfer to Contingency Reserve	-	18.77	-	(18.77)	-	-
<b>Balance as at 31 March, 2019</b>	<b>230.78</b>	<b>176.66</b>	<b>-</b>	<b>(20.55)</b>	<b>-</b>	<b>386.89</b>
<b>Balance as at 01 April, 2019</b>	<b>230.78</b>	<b>176.66</b>	<b>-</b>	<b>(20.55)</b>	<b>-</b>	<b>386.89</b>
Profit/(Loss) for the year	-	-	-	50.22	-	50.22
Share Premium Amount Received During the year	-	-	120.43	-	-	120.43
Other comprehensive Income / (Expense) for the year (net of tax)	-	-	-	(17.07)	(13.24)	(30.31)
<b>Total comprehensive Income / (Expense) for the year</b>	<b>-</b>	<b>-</b>	<b>120.43</b>	<b>33.15</b>	<b>(13.24)</b>	<b>140.34</b>
Distribution on Unsecured Perpetual Instrument(net)	-	-	-	(23.72)	-	(23.72)
Transfer to Contingency Reserve	-	20.29	-	(20.29)	-	-
<b>Balance as at 31 March, 2020</b>	<b>230.78</b>	<b>196.95</b>	<b>120.43</b>	<b>(31.41)</b>	<b>(13.24)</b>	<b>503.51</b>

As per our attached report of even date  
**For Deloitte Haskins & Sells LLP**  
 Chartered Accountants  
 ICAI Firm Registration Number : 117366WW-100018

**Mohammed Bengali**  
 Partner  
 Membership No. 105828

Place : Mumbai  
 Date : 7 May, 2020

For and on behalf of the Board of Directors  
**ADANI ELECTRICITY MUMBAI LIMITED**

**Anil Sardana**  
 Chairman  
 DIN: 00006867  
**Rakesh Tiwary**  
 Chief Financial Officer

Place : Ahmedabad  
 Date : 7 May, 2020

**Kandarp Patel**  
 Managing Director & CEO  
 DIN.: 02947643

**Jaladhi Shukla**  
 Company Secretary



# Statement of Cash flows for the year ended 31 March, 2020

Particulars	(₹ in Crores)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
<b>A. Cash flow from operating activities</b>		
Profit / (Loss) before tax	252.80	169.14
Adjustments for:		
Interest Income	(84.18)	(44.41)
Unrealised Foreign Exchange Gain	-	(3.40)
Unrealised Foreign Exchange Gain - Borrowings net of Hedging	(56.59)	-
Amortisation of Consumer Contribution	(8.49)	(7.42)
Gain On Sale / Fair Value Of Current Investments Measured at FVTPL	(15.89)	(2.01)
Gain On Sale / Fair Value Of Current Investments Measured at FVTPL - Contingency Reserve Fund	(10.78)	(2.47)
Finance Costs	1,175.08	1,001.82
Depreciation and Amortisation Expense	510.46	492.71
(Profit)/Loss on sale of Fixed Assets (Net)	4.57	17.28
Provision for Doubtful Debts / Advances / Deposits	32.60	24.58
<b>Operating Profit / (Loss) before working capital changes</b>	<b>1,799.58</b>	<b>1,645.82</b>
Changes in Working Capital:		
Adjustments for (Increase) / Decrease in Assets :		
Trade Receivables	(158.90)	(24.59)
Inventories	(176.36)	(20.48)
Financial Assets - Current / Non Current	587.07	330.45
Other Assets - Current / Non Current	(193.71)	(23.07)
Regulatory Deferral Account - Assets	857.86	39.47
Adjustment for Increase / (Decrease) in Liabilities :		
Trade Payables	256.85	(78.86)
Financial Liabilities - Current / Non Current	70.36	(1,075.83)
Provisions - Current / Non Current	(192.01)	49.03
Other Liabilities - Current / Non Current	88.07	(69.63)
Regulatory Deferral Account - Liabilities	232.77	-
<b>Cash generated from operations</b>	<b>3,171.58</b>	<b>772.31</b>
Tax paid (Net)	(32.10)	(32.90)
<b>Net cash from / (used in) operating activities (A)</b>	<b>3,139.48</b>	<b>739.41</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on PPE (Including Capital Advances)	(1,293.77)	(552.20)
Proceeds from Sale of PPE	2.91	8.68
Consideration Paid towards Business Acquisition	-	(10,850.00)
(Purchase) / Sale of Mutual Funds / Other Investments-Net	2.72	(18.20)
Investment in Subsidiary	(0.01)	-
Bank balances not considered as Cash & Cash Equivalents	(263.15)	(281.41)
Loans (given) / repaid	(1,617.25)	-
Interest Received	84.24	39.03
<b>Net cash from / (used in) investing activities (B)</b>	<b>(3,084.31)</b>	<b>(11,654.10)</b>
<b>C. Cash flow from financing activities</b>		
Increase in Service Line Contribution	20.14	21.51
Proceeds from Long-term borrowings	10,469.42	9,279.79
Repayment of Long-term borrowings	(9,758.76)	(1,757.00)
Proceeds from Short-term borrowings	1,247.66	2,055.35

## Statement of Cash flows for the year ended 31 March, 2020 (Contd.)

Particulars	(₹ in Crores)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Repayment of Short-term borrowings	(788.71)	(1,100.70)
Proceeds from issue of equity shares	-	3,400.00
Proceeds from Unsecured Perpetual Instrument	-	243.06
Distribution on Unsecured Perpetual Instrument	-	(1.58)
Payment of Lease Liability Obligation	(25.28)	-
Interest on Lease Liability Obligation	(6.89)	-
Interest & Other Borrowing Cost	(1,181.46)	(1,134.48)
<b>Net cash from / (used in) financing activities (C)</b>	<b>(23.88)</b>	<b>11,005.95</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>31.29</b>	<b>91.26</b>
<b>Cash and cash equivalents as at 01 April (Opening Balance)</b>	<b>91.40</b>	<b>0.14</b>
<b>Cash and cash equivalents as at 31 March (Closing Balance)</b>	<b>122.69</b>	<b>91.40</b>
Balances with banks		
- In current accounts	115.19	77.28
- Fixed Deposits	0.95	2.45
Cash On Hand	0.42	2.61
Cheques / Drafts On Hand	6.13	9.06
<b>Total Cash &amp; Cash Equivalents</b>	<b>122.69</b>	<b>91.40</b>

### Note :

Conversion of Unsecured Perpetual Instrument ₹ 280.95 Crore, ICD from Parent Company (including interest accrued) ₹ 460.25 Crore into Equity Shares of the Company have been treated as non cash transactions.

As per our attached report of even date  
**For Deloitte Haskins & Sells LLP**  
 Chartered Accountants  
 ICAI Firm Registration Number : 117366W/W-100018

**Mohammed Bengali**  
 Partner  
 Membership No. 105828

Place : Mumbai  
 Date : 7 May, 2020

For and on behalf of the Board of Directors  
**ADANI ELECTRICITY MUMBAI LIMITED**

**Anil Sardana**  
 Chairman  
 DIN: 00006867

**Rakesh Tiwary**  
 Chief Financial Officer

Place : Ahmedabad  
 Date : 7 May, 2020

**Kandarp Patel**  
 Managing Director & CEO  
 DIN.: 02947643

**Jaladhi Shukla**  
 Company Secretary

# Notes to Financial Statements for the year ended 31 March, 2020

## 1 CORPORATE INFORMATION

"Adani Electricity Mumbai Limited ("AEML") ("the Company") is a public limited company incorporated and domiciled in India having its registered office at Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009, Gujarat, India. It is subsidiary of Adani Transmission Limited (ATL) and ultimate holding entity is S. B. Adani Family Trust (SBAFT). The integrated Mumbai Generation, Transmission and Distribution (GTD) Business caters to ~3.05 million customers, under a license provided to transmit and distribute electricity to consumers in Mumbai in an area of ~400 Sq km in and around suburbs of Mumbai inclusive of areas covered under the Mira Bhayender Municipal Corporation, making it the country's largest private sector integrated power utility, entailing ~1,964 MW of power distribution along with generation facilities (500 MW coal based) and over 567 ckt km of transmission network. The Tariff to be charged to the consumers is regulated by Maharashtra Electricity Regulatory Commission ("MERC")."

Due to outbreak of COVID-19 globally and in India, the Company's management has made initial assessment of impact on business and financial risks on account of COVID-19. Considering that the Company 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 Company will not be significant. The management does not see any risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

These financial statements of the Company for the year ended 31 March, 2020 were authorised for issue by the board of directors on 07 May, 2020.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 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).

### 2.2 BASIS OF PREPARATION AND PRESENTATION

The financial statements have been prepared on a historical cost basis except for the following assets and liabilities which have been measured at fair value.

- certain financial assets and liabilities that are measured at fair value;
- defined benefit plans - planned assets measured at fair value;

The financial statements have been prepared in "Indian Rupees" which is also the Company's functional currency and all amounts, are rounded to the nearest Crore with two decimals, (Transactions below ₹ 50,000.00 denoted as ₹ 0.00), unless otherwise stated.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### 2.3 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.

### 2.4 1 PROPERTY, PLANT AND EQUIPMENT ("PPE")

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any.

In respect of Property, Plant and Equipment ("Assets") pertaining to Mumbai Generation, Transmission and Distribution business acquired from Reliance Infrastructure

## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

Limited under a Court sanctioned scheme of arrangement with an appointed date of 1 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 April 01, 2018 based on valuation done by a Government registered valuer.

Subsequent additions to the assets on or after 1st April, 2018 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 IndAS 23. Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

### 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.

### DEPRECIATION

Depreciation commences when an asset is ready for its intended use. Freehold land is not depreciated.

### REGULATED ASSETS

Subject to the below, depreciation on property, plant and equipment in respect of Mumbai Generation, Transmission and Distribution business of the Company is covered under Part B of Schedule II of the Companies Act, 2013, and has been provided on the straight line method at the rates and 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.

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 01 April, 2018.

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, Computers & Network and Electrical Installations which has been considered at 5%.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and the effect of any changes in estimate is accounted for on a prospective basis.

Estimated useful lives of assets other than assets at DTPS are as follows:-

Type of Asset	Useful lives
Building	60 Years
Plant and Equipment	25 Years
Distribution Line / Transmission Cable	35 Years
Street Light	25 Years
Furniture and Fixtures	10 Years
Office Equipment	5 Years
Computers, Servers & Related Network	3 - 6 Years
Vehicles	8 - 10 Years

## 2 INTANGIBLE ASSETS

Intangible assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

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 1 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 April 01, 2018 based on valuation done by professional valuation firm.

Subsequent additions to the assets on or after 1st April, 2018 are accounted for at cost.

### 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

# Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

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 years

## 3 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.

## 4 IMPAIRMENT OF PPE AND INTANGIBLE ASSETS

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.

## 2.5 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 Company's cash management.

## 2.6 CASH FLOW STATEMENT

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



## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

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.

### 2.7 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 the Company 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 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 measured at fair value through profit or loss are recognised immediately in the statement of profit and loss.

### 2.8 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."

#### 1 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.

#### 2 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.

#### 3 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

All financial assets that do not meet the criteria for amortised cost are measured at FVTPL.

#### 4 IMPAIRMENT OF INVESTMENTS

the Company 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.

#### 5 DERECOGNITION

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 Company's balance sheet) when:

- the right to receive cash flows from the asset have expired, or
- the Company 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 Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company 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 Company continues to

# Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company 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 Company has retained.

## 6 IMPAIRMENT OF FINANCIAL ASSETS

the Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. the Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

## 2.9 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 DERECOGNITION

A financial liability is derecognised when the obligation under the liability is discharged or

cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

## 2.10 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.

## 2.11 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.

## 2.12 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.

## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

### 2.13 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 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.

### 2.14 FOREIGN CURRENCIES

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated. Exchange differences arising on foreign currency borrowings are presented in the statement of profit and loss within finance cost. Except for 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.

### 2.15 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, option, swap contracts 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. When the hedged

## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

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.

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.

## 2.16 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

### 1 Transmission of Power

Revenue from transmission of power is recognised net of cash discount over time for transmission of electricity. the Company as per the prevalent tariff regulations is required to recover its Annual Revenue Requirement ('ARR') comprising of expenditure on account of operations and maintenance expenses, financing costs, taxes and assured return on regulator approved equity with additional incentive for operational efficiencies.

Input method is used to recognize revenue based on the Company's efforts or inputs to the satisfaction of a performance obligation to deliver power

## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

As per tariff regulations, the Company determines ARR and any surplus/shortfall in recovery of the same is accounted as revenue.

### 2 Sale of Power - Distribution

Revenue from sale of power is recognised net of cash discount over time for each unit of electricity delivered at the pre determined rate.

### 3 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.

### 4 Interest on Overdue Receivables / Delay Payment Charges

"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. 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 favorable order from regulator / authorities."

### 5 Sale of Traded 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 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.

### 6 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.

### 7 Interest income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

## 2.17 REGULATORY DEFERRAL ACCOUNT

the Company 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 Company 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

## 2.18 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily



## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

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 statement of profit and loss in the period in which they are incurred. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### 2.19 EMPLOYEE BENEFITS

#### 1 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.

#### 2 Defined benefit plans:

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. 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.

#### 3 Current and other non-current employee benefits

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

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

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

#### 4 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

## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

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.

### 2.20 LEASES

#### 1 Under Ind AS 116 Leases:

Effective from 1st April, 2019, the Company adopted Ind AS 116 – Leases and applied the standard to all lease contracts existing as on 1st April, 2019 using the modified retrospective method on the date of initial application i.e. 1st April, 2019. Refer note no 3.2 for details on transition to Ind AS 116 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 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 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.

#### 2 Under Ind AS 17 Leases:

##### Assets held under lease

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognized in the Balance Sheet.

#### 3 Lease payments

Payments made under operating leases are generally recognised in profit and loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### 2.21 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

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 in the countries where the Company operates and generates taxable income.

## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

Current income tax relating to items recognised outside statement of profit and loss 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. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### 2 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 Company 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.

### 2.22 EARNINGS PER SHARE

Basic 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 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.

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.

# Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

## 2.23 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS.

### 1 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 the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised 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. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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 Company 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.

### 2 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.

### 3 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.

## 2.24 DIVIDEND DISTRIBUTION TO EQUITY SHAREHOLDERS OF THE COMPANY

the Company 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.

### 3.1 STANDARDS ISSUED BUT NOT EFFECTIVE

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 1 April, 2020.

### 3.2 CHANGE IN ACCOUNTING POLICIES AND DISCLOSURES

#### Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases, including Appendix A of Ind AS 17 Operating Leases-Incentives, Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and Appendix C of Ind AS 17, Determining whether an Arrangement contains a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Company is the lessor.

the Company adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1 April 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

The effect of adoption Ind AS 116 as at 1 April 2019 (increase/ (decrease)) is, as follows:

Assets	₹ in Crore
Right- of- Use assets	84.33
Prepayments- Land	(12.17)
Prepayments- Way Leave rights	(8.41)
<b>Total Assets</b>	<b>63.75</b>
Liabilities	
Lease Liability Obligation	63.75
<b>Total Liabilities</b>	<b>63.75</b>

the Company has lease contracts for various items of plant, machinery and buildings. Before the adoption of Ind AS 116, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Refer to Note 2.20 (2) Leases for the accounting policy prior to 1 April 2019.

## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 2.20 (1) Leases for the accounting policy beginning 1 April 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

- **Leases previously classified as finance leases**  
the Company did not have any finance leases.
- **Leases previously accounted for as operating leases**

the Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

the Company also applied the available practical expedients wherein it:

- \* Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- \* Relied on its assessment of whether leases are onerous immediately before the date of initial application
- \* Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- \* Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- \* Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019, as follows:

Assets	₹ in Crore
Operating lease commitments as at 31 March, 2019	88.78
Weighted average incremental borrowing rate as at 1 April, 2019	10.00%
Discounted operating lease commitments as at 1 April 2019	63.75
Lease liabilities as at 1 April 2019	63.75

Adoption of the above standard did not have material financial impact on the Financial Statements of the Company.

### 4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

Estimation of current tax and deferred tax expense - Note 31

Estimates used for impairment of transmission license - Note 35

Assessment of lease classification in respect of long term power purchase agreement - Note 36 (l) (b)

Judgement to estimate the amount of provision required or to determine required disclosure related to litigation and claims against the Company - Note 37

Estimation of defined benefit obligation - Note 41

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 Company and that are believed to be reasonable under the circumstances.



# Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

## NOTE 5 : PROPERTY, PLANT AND EQUIPMENT (PPE)

Particulars	Freehold Land	Buildings - Residential	Buildings - Others	Plant and Equipment	Distribution Systems	Street Light	Railway Siding	Jetty	Furniture and Fixtures	Vehicles	Office Equipment	Computers & Network	Electrical Installations	Total
Gross carrying amount														
As at 1st April 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquired on Business Combination as on Apr 01, 2018	2,536.87	100.61	719.57	3,866.40	4,272.43	132.02	6.87	1.26	15.24	13.47	10.93	25.01	16.73	11,817.41
Additions	-	1.61	33.03	147.08	271.50	16.52	-	-	2.53	1.91	3.15	10.68	2.25	490.26
Disposals	-	-	-	27.22	-	-	-	-	-	0.63	-	0.02	0.01	27.88
<b>Closing Gross carrying amount as on 31 March, 2019</b>	<b>2,536.87</b>	<b>102.22</b>	<b>752.60</b>	<b>3,986.26</b>	<b>4,543.93</b>	<b>148.54</b>	<b>6.87</b>	<b>1.26</b>	<b>17.77</b>	<b>14.75</b>	<b>14.08</b>	<b>35.67</b>	<b>18.97</b>	<b>12,279.79</b>
Accumulated depreciation and impairment														
As at 1st April 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	4.13	27.03	226.46	177.56	7.20	0.43	0.08	4.80	3.53	7.96	18.98	5.78	483.94
Eliminated on disposal of assets	-	-	-	1.82	-	-	-	-	-	0.07	-	0.02	0.01	1.92
<b>Closing accumulated depreciation as on 31 March, 2019</b>	<b>-</b>	<b>4.13</b>	<b>27.03</b>	<b>224.64</b>	<b>177.56</b>	<b>7.20</b>	<b>0.43</b>	<b>0.08</b>	<b>4.80</b>	<b>3.46</b>	<b>7.96</b>	<b>18.96</b>	<b>5.77</b>	<b>482.02</b>
<b>Net carrying amount - 31 March, 2019</b>	<b>2,536.87</b>	<b>98.09</b>	<b>725.57</b>	<b>3,761.62</b>	<b>4,366.37</b>	<b>141.34</b>	<b>6.44</b>	<b>1.18</b>	<b>12.97</b>	<b>11.29</b>	<b>6.12</b>	<b>16.71</b>	<b>13.20</b>	<b>11,797.77</b>
Gross carrying amount														
As at 1st April 2019	2,536.87	102.22	752.60	3,986.26	4,543.93	148.54	6.87	1.26	17.77	14.75	14.08	35.67	18.97	12,279.79
Additions	-	1.87	31.43	511.94	437.76	22.93	-	-	1.78	12.81	1.45	38.77	6.10	1,066.84
Disposals	-	-	-	7.62	-	-	-	-	-	1.05	0.19	0.42	0.12	9.40
<b>Closing Gross carrying amount as on 31 March, 2020</b>	<b>2,536.87</b>	<b>104.09</b>	<b>784.03</b>	<b>4,490.58</b>	<b>4,981.69</b>	<b>171.47</b>	<b>6.87</b>	<b>1.26</b>	<b>19.55</b>	<b>26.51</b>	<b>15.34</b>	<b>74.02</b>	<b>24.95</b>	<b>13,337.23</b>
Accumulated depreciation and impairment														
As at 1st April 2019	-	4.13	27.03	224.64	177.56	7.20	0.43	0.08	4.80	3.46	7.96	18.96	5.77	482.02
Depreciation charge for the year	-	4.17	26.71	226.12	187.54	14.06	0.41	0.08	2.57	2.00	2.11	10.83	2.47	479.07
Eliminated on disposal of assets	-	-	-	0.96	-	-	-	-	-	0.28	0.18	0.40	0.10	1.92
<b>Closing accumulated depreciation as on 31 March, 2020</b>	<b>-</b>	<b>8.30</b>	<b>53.74</b>	<b>449.80</b>	<b>365.10</b>	<b>21.26</b>	<b>0.84</b>	<b>0.16</b>	<b>7.37</b>	<b>5.18</b>	<b>9.89</b>	<b>29.39</b>	<b>8.14</b>	<b>959.17</b>
<b>Net carrying amount - 31 March, 2020</b>	<b>2,536.87</b>	<b>95.79</b>	<b>730.29</b>	<b>4,040.78</b>	<b>4,616.59</b>	<b>150.21</b>	<b>6.03</b>	<b>1.10</b>	<b>12.18</b>	<b>21.33</b>	<b>5.45</b>	<b>44.63</b>	<b>16.81</b>	<b>12,378.06</b>

### Notes:

- Refer footnote to Note 18 for security/charges created on property, plant and equipment.
- The title deeds in respect of land and certain residential properties are either in the erstwhile names of the Company viz: "Bombay Suburban Electric Supply Limited" / "Reliance Infrastructure Limited" . the Company is in process of transferring the same in the name of the Company.

# Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

## NOTE 5A: RIGHT OF USE

(₹ in Crores)

Particulars	Right of Use			Total
	Leasehold Land	Building / Others	Way Leave Rights	
<b>Gross carrying amount</b>				
As at 1st April 2019	-	-	-	-
On transition to Ind-AS 116	12.17	63.75	8.41	84.33
Additions	1.58	90.67	31.75	124.00
Disposal / Reassessment of Lease	-	25.12	-	25.12
<b>Closing Gross carrying amount as on 31 March, 2020</b>	<b>13.75</b>	<b>129.30</b>	<b>40.16</b>	<b>183.21</b>
<b>Accumulated amortisation &amp; Impairment</b>				
As at 1st April 2019	-	-	-	-
Amortisation charge of the year	0.32	23.80	1.80	25.92
Eliminated on disposal of assets	-	-	-	-
Closing accumulated amortisation as on 31 March, 2020	0.32	23.80	1.80	25.92
<b>Net carrying amount - 31 March, 2020</b>	<b>13.43</b>	<b>105.50</b>	<b>38.36</b>	<b>157.29</b>

## NOTE 5B: INTANGIBLE ASSETS

(₹ in Crores)

Particulars	Computer Software	Transmission License	Total
<b>Gross carrying amount</b>			
As at 01 April 2018	-	-	-
Acquired on Business Combination as on 01 April, 2018	11.35	981.62	992.97
Additions	0.86	-	0.86
Disposal	-	-	-
<b>Closing Gross carrying amount as on 31 March, 2019</b>	<b>12.21</b>	<b>981.62</b>	<b>993.83</b>
<b>Accumulated amortisation &amp; Impairment</b>			
As at 01 April, 2018	-	-	-
Amortisation charge for the year	8.77	-	8.77
Eliminated on disposal of assets	-	-	-
<b>Closing accumulated amortisation as on 31 March, 2019</b>	<b>8.77</b>	<b>-</b>	<b>8.77</b>
<b>Net carrying amount - 31 March, 2019</b>	<b>3.44</b>	<b>981.62</b>	<b>985.06</b>
<b>Gross carrying amount</b>			
As at 01 April 2019	12.21	981.62	993.83
Additions	11.99	-	11.99
Disposal	-	-	-
<b>Closing Gross carrying amount as on 31 March, 2020</b>	<b>24.20</b>	<b>981.62</b>	<b>1,005.82</b>
<b>Accumulated amortisation &amp; Impairment</b>			
As at 01 April 2019	8.77	-	8.77
Amortisation charge for the year	5.47	-	5.47
Eliminated on disposal of assets	-	-	-
<b>Closing accumulated amortisation as on 31 March, 2020</b>	<b>14.24</b>	<b>-</b>	<b>14.24</b>
<b>Net carrying amount - 31 March, 2020</b>	<b>9.96</b>	<b>981.62</b>	<b>991.58</b>

### Notes:

- The above Intangible Assets are other than internally generated Intangible Assets.
- Transmission License was acquired as part of the business acquisition as described in Note 34. The License is valid for 25 years from 16th August 2011 to 15th August 2036. The license can be further extended at minimal cost.

## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

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) The title deeds in respect of certain lease hold land properties are either in the erstwhile names of the Company viz: "Bombay Suburban Electric Supply Limited" / "Reliance Infrastructure Limited". the Company is in process of transferring the same in the name of the Company.
- (iv) Transmission License is pledged as security with the Lenders against borrowings.

Depreciation / Amortisation	(₹ in Crores)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Depreciation on Tangible Assets	479.07	483.94
Amortisation of Intangible Assets	5.47	8.77
Amortisation of Right of Use	25.92	-
<b>Total</b>	<b>510.46</b>	<b>492.71</b>

### 6 INVESTMENTS

			(₹ in Crores)	
Face Value of ₹ No of Securities / Shares		As at 31 March, 2020	As at 31 March, 2019	
<b>6a Non-current investments</b>				
<b>Investment in Equity Shares of Subsidiary (Unquoted) (Cost)</b>				
Adani Electricity Mumbai Infra Limited.	10	10,000	0.01	-
<b>Investment in Government Securities at amortised cost</b>				
Contingency Reserve Investments (Quoted)				
8.12% Central Government of India - 2020	100	7,500,000	-	76.89
8.27% Central Government of India - 2020	100	1,500,000	-	15.39
7.68% Central Government of India - 2023	100	1,500,000	-	15.34
7.68% Central Government of India - 2023	100	1,300,000	-	13.30
<b>Total</b>			<b>0.01</b>	<b>120.92</b>
<b>Aggregate Market Value of Quoted Investments</b>			-	120.42
<b>Aggregate Carrying Value of Quoted Investments</b>			-	120.92
<b>Aggregate Carrying Value of Unquoted Investments</b>			0.01	-
<b>Aggregate amount of impairment in the value of investments</b>			-	-

Face Value of ₹ unless otherwise specified		No of Units	As at 31 March, 2020	As at 31 March, 2019
<b>6b Current investments</b>				
<b>Investment in Mutual Funds units at FVTPL (Unquoted)</b>				
<b>Contingency Reserve Investments</b>				
SBI Liquid Fund Direct Growth	1,000.00	5,95,254 (1,48,706)	185.07	43.55
			185.07	43.55
<b>Aggregate Carrying Value of Unquoted Investments</b>			185.07	43.55

# Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

## 7 LOANS - AT AMORTISED COST

	Non-Current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Housing loans to employee against hypothecation of the property (Secured, considered good)	31.37	35.79	4.82	4.29
Inter Corporate Deposit given (Unsecured, considered good)			1623.00	-
Loans to employees (Unsecured, considered good)	7.54	5.37	3.21	4.24
	<b>38.91</b>	<b>41.16</b>	<b>1,631.03</b>	<b>8.53</b>

## 8 OTHER FINANCIAL ASSETS - AT AMORTISED COST

	Non-Current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Security Deposits - Unsecured				
Considered Good	28.64	18.99	-	-
Considered doubtful	1.05	1.05	-	-
	29.69	20.04	-	-
Less : Provision For Doubtful Deposits	(1.05)	(1.05)	-	-
<b>Total</b>	<b>28.64</b>	<b>18.99</b>	<b>-</b>	<b>-</b>
*Fixed Deposit with Banks	59.75	16.64	-	-
Other Financial Assets	-	-	2.37	503.26**
Derivative instruments designated in hedge accounting relationship	777.71	-	22.19	-
Unbilled Revenue	-	-	519.40	610.45
Regulatory Assets other than Distribution	-	4.78	-	-
	<b>866.10</b>	<b>40.41</b>	<b>543.96</b>	<b>1,113.71</b>

### Note :

\* Represents margin money with banks for guarantees issued.

\*\* In respect of the standby dispute with The Tata Power Company Limited (TPCL) , Supreme Court vide its order dated 2 May, 2019 has dismissed the appeals filed by RINFRA ( substituted with AEML subsequently ) /TPCL against the Appellate Tribunal of Electricity ( "ATE") order dated 20 December, 2006 .Accordingly the ATE order has reached finality. Based on the ATE order and its interpretation thereof AEML has booked a sum of ₹ 503.26 Crore ( including interest) as amount recoverable from TPCL as at 31 March, 2019 and subject to TPCL confirmation. In terms of the Share Purchase Agreement entered into by the Company, ATL and RINFRA, the amount recoverable from TPCL is payable to RINFRA on receipt of the same from TPCL.

## 9 DEFERRED TAX ASSETS / LIABILITIES (NET)

	As at 31 March, 2020	As at 31 March, 2019
Deferred Tax Assets	764.89	517.67
Deferred Tax Liabilities	815.31	416.35
Net Deferred Tax Assets / Liabilities	50.42	101.32

## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

### 10 "OTHER ASSETS"

(Unsecured, Considered good)"

(₹ in Crores)

	Non-Current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Advance to Suppliers	-	-	287.94	79.43
Balances with Government authorities	-	-	3.79	0.85
Unamortized Premium for Lease hold Land	-	12.01	-	0.16
Prepaid Expenses	2.91	7.70	13.15	10.20
Capital advances	282.33	115.16	-	-
Advance to Employees	-	-	8.67	12.40
	<b>285.24</b>	<b>134.87</b>	<b>313.55</b>	<b>103.04</b>

### 11 "INVENTORIES"

(Stated at lower of Cost and Net Realisable Value)"

(₹ in Crores)

	As at 31 March, 2020	As at 31 March, 2019
Fuel	332.83	178.30
Fuel - In Transit	87.19	50.72
Stores & spares	91.40	106.04
	<b>511.42</b>	<b>335.06</b>

Above inventories are pledged as security with the Lenders against borrowings.

### 12 TRADE RECEIVABLES

(₹ in Crores)

	As at 31 March, 2020	As at 31 March, 2019
Unsecured, considered good	552.00	425.70
Credit Impaired	64.70	27.04
	<b>616.70</b>	<b>452.74</b>
Less : Provision for doubtful Trade receivables	(64.70)	(27.04)
	<b>552.00</b>	<b>425.70</b>

#### Note :

- the Company holds security deposit in respect of trade receivables - Refer Note No 24
- Above trade receivables are pledged as security with the Lenders against borrowings.
- As at 31 March, 2020 - ₹ 59.70 Crore is due from Municipal Corporation of Greater Mumbai which represents Company's large customer who owes more than 5% of the total balance of trade receivables.
- The average credit period for the Company's receivables from its transmission and distribution (including street light maintenance ) 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
- In case of transmission business, regulator approved tariff is receivable from long-term transmission customers (LTTCs) and Discoms that are highly rated companies or government parties. Counterparty credit risk with respect to these receivables is very minimal.
- the Company considers for impairment its receivables from customers in its Mumbai distribution business. The risk of recovery in these businesses is reduced to the extent of security deposits already collected and held as collaterals. Balance amount receivable over and above the deposit is assessed for expected credit loss allowances. the Company 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.



# Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

## 12.1 TRADE RECEIVABLES

Age of receivables

	(₹ in Crores)	
	As at 31 March, 2020	As at 31 March, 2019
Within the Credit Period	299.65	237.05
1-90 days past due	188.57	141.85
91-182 days past due	34.38	23.24
More than 182 days past due	94.10	50.60
	<b>616.70</b>	<b>452.74</b>

## 12.2 MOVEMENT IN PROVISION FOR DOUBT IN TRADE RECEIVABLES

	(₹ in Crores)	
	As at 31 March, 2020	As at 31 March, 2019
Opening Balance	27.04	-
Movement in expected credit allowance on trade receivable (Net)	37.66	27.04
Closing Balance	<b>64.70</b>	<b>27.04</b>

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.

## 13 CASH AND CASH EQUIVALENTS - AT AMORTISED COST

	(₹ in Crores)	
	As at 31 March, 2020	As at 31 March, 2019
Balances with banks		
- In current accounts	115.19	77.28
- Fixed Deposits	0.95	2.45
Cash On Hand	0.42	2.61
Cheques / Drafts On Hand	6.13	9.06
<b>Total Cash &amp; Cash Equivalents as per Statement of Cash Flows</b>	<b>122.69</b>	<b>91.40</b>

## RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

	(₹ in Crores)				
Particulars	As at 1st April, 2019	Cash flows Proceeds	Repayment	Non-cash Transaction	As at 31st March, 2020
Non-current Borrowings (including Current Maturities of Non-current Borrowings)	8,869.29	10,469.42	(9,758.76)	604.08	10,184.03
Current Borrowings	985.61	1,247.66	(788.71)	(460.25)	984.31
Unsecured Perpetual Instrument	257.23	-	-	(257.23)	-
<b>Total</b>	<b>10,112.13</b>	<b>11,717.08</b>	<b>(10,547.47)</b>	<b>(113.40)</b>	<b>11,168.34</b>

## RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

	(₹ in Crores)				
Particulars	As at 1st April, 2018	Cash flows Proceeds	Repayment	Non-cash Transaction	As at 31st March, 2019
Non-current Borrowings (including Current Maturities of Non-current Borrowings)	1,503.70	9,122.59	(1,757.00)	-	8,869.29
Current Borrowings	30.96	2,055.35	(1,100.70)	-	985.61
Unsecured Perpetual Instrument	-	243.06	(1.58)	15.75	257.23
<b>Total</b>	<b>1,534.66</b>	<b>11,421.00</b>	<b>(2,859.28)</b>	<b>15.75</b>	<b>10,112.13</b>

## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

### 14 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS - AT AMORTISED COST

	(₹ in Crores)	
	As at 31 March, 2020	As at 31 March, 2019
*** Bank Deposits with Original Maturity of more than 3 months but less than 12 months	502.41	283.47
	<b>502.41</b>	<b>283.47</b>

\*\*\* Represents deposits placed towards Margin Money and Debt Service Reserve Account.

### 15 SHARE CAPITAL

	(₹ in Crores)	
	As at 31 March, 2020	As at 31 March, 2019
<b>Authorised Share Capital</b>		
5,00,00,00,000 (5,00,00,00,000) equity shares of ₹ 10 each.	5,000.00	5,000.00
	<b>5,000.00</b>	<b>5,000.00</b>
<b>Issued, Subscribed and Paid-up Shares Capital</b>		
4,920,823,535 (3,400,050,000) fully paid up equity shares of ₹ 10 each.	4,020.82	3,400.05
	<b>4,020.82</b>	<b>3,400.05</b>

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

	(₹ in Crores)	
	As at 31 March, 2020	As at 31 March, 2019
Equity Shares	No. Shares	No. Shares
At the beginning of the Year	3,400,050,000	50,000
Issued during the year #	620,773,535	3,400,000,000
Outstanding at the end of the year	4,020,823,535	3,400,050,000

# During the year ended 31 March, 2020 62,07,73,535 numbers Equity Shares of ₹ 10 each at a premium of ₹ 1.94 per share, have been issued through Preferential allotment to Parent Company on conversion of intercorporate deposit (including interest accrued) ₹ 460.25 Crore and unsecured perpetual Instrument.

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

Equity shares of ₹ 10 each fully paid	As at 31 March, 2020		As at 31st March, 2019	
	No. Shares	% held	No. Shares	% held
Adani Transmission Limited and its nominees ##	3,011,596,821	74.90%	3,400,050,000	100.00%
Qatar Holding LLC	1,009,226,714	25.10%	-	-
	<b>4,020,823,535</b>	<b>100.00%</b>	<b>3,400,050,000</b>	<b>100.00%</b>
## Shares Pledged				
No. of equity shares pledged to Lenders by Parent Company		1,734,025,500		1,734,025,500

In terms of Shareholders Agreement entered into between the Company, Adani Transmission Limited ("ATL") and Qatar Holding (QH), a subsidiary of Qatar Investment Authority ("QIA"), QH has acquired from ATL 25.1% stake in the Company and has provided Shareholders Affiliated Debt of USD 282 million to the Company.

In terms of the agreement entered into between the Company, Parent Company and lenders, the 100% of the shares of the Company are required to be pledged in favor of the lenders, as at the reporting date the Company/ Shareholders are in the process of creating the pledge.

# Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

## 16 UNSECURED PERPETUAL INSTRUMENT

	(₹ in Crores)	
	As at 31 March, 2020	As at 31 March, 2019
Opening Balance	257.23	-
Add : Availed during the year	-	243.06
Add : Distribution on Unsecured Perpetual Instrument(net)	23.72	14.17
Less : Converted into Equity Shares during the year	280.95	-
Closing Balance	-	257.23

During the previous year, the Company raised ₹ 243.06 Crore from the Parent Company, through issue of Unsecured Perpetual Instrument (the "Instrument"). The Instrument is perpetual in nature with no maturity date and is repayable only at the option of the Company. The distribution on the Instrument is at 11.00% with a reset provision after a period of every 5 (five) years. As the Instrument is perpetual in nature and ranked senior only to the Share Capital of the Company and the Company does not have any redemption obligation, the Instrument is considered to be in the nature of equity. During the year, the Company has converted the Unsecured Perpetual Instrument into Equity Shares at a premium of ₹ 1.94 per share.

## 17 OTHER EQUITY

	(₹ in Crores)	
	As at 31 March, 2020	As at 31 March, 2019
<b>a. Capital Reserve</b>		
Opening Balance	230.78	-
Add : On Business Combination	-	230.78
Closing Balance	230.78	230.78

Capital Reserve represents the gain arising on accounting of business combination, wherein on the acquisition-date the net amounts of the identifiable assets acquired and the liabilities assumed exceeded the consideration amount paid.

	(₹ in Crores)	
	As at 31 March, 2020	As at 31 March, 2019
<b>b. Effective portion of cashflow Hedge</b>		
Opening Balance	-	-
Add : Effective portion of cash flow hedge	(13.24)	-
Closing Balance	(13.24)	-

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.

<b>c. Contingency Reserve Fund</b>		
Opening Balance	176.66	-
Acquired on Business Combination	-	157.89
Transfer from Retained Earnings	20.29	18.77
Closing Balance	196.95	176.66

As per the provisions of MERC MYT Regulations read with Tariff orders passed by MERC, the Company 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 Financial Statements for the year ended 31 March, 2020 (Contd.)

	(₹ in Crores)	
	As at 31 March, 2020	As at 31 March, 2019
<b>d. Securities Premium</b>		
Opening Balance	-	-
Add : Additions during the year	120.43	-
Closing Balance	<b>120.43</b>	-

During the year ended 31 March, 2020 62,07,73,535 numbers Equity Shares of ₹ 10 each at a premium of ₹ 1.94 per share, have been issued through Preferential allotment to Parent Company on conversion of intercorporate deposit (including interest accrued) ₹ 460.25 Crore and unsecured perpetual Instrument.

Securities Premium Reserve is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

<b>e. Retained Earnings</b>		
Opening Balance	(20.55)	(47.54)
Add : Profit / (Loss) for the year	50.22	61.48
Other Comprehensive Income arising from remeasurement of Defined Benefit Plans(net of tax)	(17.07)	0.03
Transfer to Contingency Reserve Fund	(20.29)	(18.77)
Interest accrued on Unsecured Perpetual Borrowing	(23.72)	(15.75)
Closing Balance	(31.41)	(20.55)
Retained Earnings are the profits of the Company earned till date net of appropriations		
<b>Total</b>	<b>503.51</b>	<b>386.89</b>

### 18 BORROWINGS

(At Amortised Cost)

	(₹ in Crores)			
	Non-current \$\$\$		Current*	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
<b>Secured</b>				
Rupee Term Loans from Banks - 8.50%	66.67	7,902.19	33.33	967.10
External Commercial Borrowings in Foreign Currency				
Bond - 3.949%	7,488.22			
Shareholders Affiliated Debts - 6.3645%	2,095.22			
Term Loans from Banks - 3.9466%	500.59			
<b>Total</b>	<b>10,150.70</b>	<b>7,902.19</b>	<b>33.33</b>	<b>967.10</b>

\* Amount disclosed under the head "Other current financial liabilities" (Refer note 24)

\$\$\$ Includes processing fees netted of ₹ 145.88 Crore (31 March 2019 - ₹157.20 Crore)

### SECURITY AND REPAYMENT TERMS

#### NON-CURRENT BORROWINGS

#### I External Commercial Borrowings in Foreign Currency - Bond & Term Loan from Banks (including Rupee Term loans from Banks)

##### Security Package

- a first ranking mortgage of certain specific immovable properties of the Borrower.
- a negative lien over other immovable properties of the Borrower, excluding the Identified Immovable Properties
- a first charge by way of hypothecation of all the movable assets of the Project, both present and future;

## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

- d a first pari-passu charge on all book debts, operating cash flows, receivables (excluding Past Period Regulatory Assets; post distribution cash flows and debenture liquidity reserve), commissions or revenues whatsoever arising out of the Project, both present and future;
- e a first pari-passu charge on the Accounts under the Project Accounts Deed (excluding the Excluded Accounts) and amounts lying to the credit of such Accounts, both present and future;
- f a first pari-passu charge/ assignment in relation to the MERC Licenses of the Project, subject to approval from MERC;
- g a pledge over 100% of the entire paid up equity and preference share capital of the Borrower;

### Stipulated Security Creation Timelines

As at the reporting date, the Company is in the process of creation of security in favor of the lenders.

### Ranking of Security

The Security Interest to be created on the Security as aforesaid shall rank pari passu inter se the Senior Secured Creditors.

## II External Commercial Borrowings in Foreign Currency - 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

## III Repayment Terms

- i Bond is repayable by way of bullet payment in February 2030 with an obligation to prepay the debt on occurrence of certain events. the Company can voluntarily prepay the Bond on payment of premium.
- ii 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.
- iii Term Loan from Banks are repayable by way of bullet payment in March 2023 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.
- iv Rupee Term Loans from Banks are repayable by way of three equal annual instalments of ₹ 33.33 Crore starting from March 2021

## IV Term loan from Bank (s) is secured by way (in respect of loans outstanding as at 31 March, 2019)

₹ 8169.29 Crs (includes current maturities of ₹ 267.10 Crs and processing fees netted of ₹157.18 Crs) (rate of interest @ 9.05% reset on yearly basis) from Banks is secured by way of : -

- a First charge by way of Mortgage of 33 Immovable Properties of the Company.
- b First pari-passu charge by way of hypothecation over the movable assets, both present and future of the Company.
- c First charge by way of assignment of all documents, permits, approvals, rights, titles, interest etc. pertaining to the business of the Company by way of Hypothecation Deed / Indenture of Mortgage, both present and future.
- d First pari-passu charge on all book debts, operating cash flows, receivables (excluding Regulatory Assets and the bank accounts where such Regulatory Assets are deposited), commissions or revenues whatsoever arising both present & future of the Company.
- e First pari-passu charge on all the bank accounts including the Trust & Retention account (excluding the Escrow bank account wherein the Regulatory Assets recovered are deposited).
- f First charge by way of assignment of transmission and distribution license of the Company.
- g Pledge over 51% of the entire paid up share capital held by the Parent Company; and
- h Negative Lien Undertaking in respect of the 90 free hold and 115 leasehold immovable properties, including future immovable properties.



## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

Security as stipulated above shall be created in favor of the Security Trustee for the benefit of lenders.

The Future annual repayment obligations on principal amount for the above term loan borrowings are as under:-

Particulars	Total
4 Installments during FY 2019-20	272.18
4 Installments during FY 2020-21	370.36
4 Installments during FY 2021-22	412.86
4 Installments during FY 2023-24	428.89
4 Installments during FY 2024-25	467.50
4 Installments during FY 2025-26	510.00
4 Installments during FY 2026-27	552.50
4 Installments during FY 2027-28	595.00
4 Installments during FY 2028-29	637.50
4 Installments during FY 2029-30	680.00
4 Installments during FY 2030-31	722.50
4 Installments during FY 2031-32	765.00
4 Installments during FY 2032-33	765.00
4 Installments during FY 2033-34	807.50
2 Installments during FY 2034-35	339.70
<b>Total (gross)</b>	<b>8,326.49</b>
Less : Impact of recognition of borrowings at amortised cost using effective interest method	157.20
<b>Total (net)</b>	<b>8,169.29</b>

V ₹ 700 Crs (rate of interest in the range of 9.20% to 9.75% reset on monthly basis) (including current maturities of ₹ 700 Crs) from Banks against Regulatory Assets to be recovered, is secured by way of (in respect of Previous Years) :-

- First ranking pari-passu charge on identified Approved Regulatory Asset / Revenue Gap as approved by Maharashtra State Electricity Regulatory Commission (MERC) for FY 2019-20 as per MYT order dated September 12, 2018.
- First ranking pari-passu charge on Collection accounts opened with designated Banks.

### 19 TRADE PAYABLES

					(₹ in Crores)			
					Non-Current		Current	
					As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
### (A)	total	outstanding	dues	of	-	-	48.41	0.28
	micro	enterprises	and	small				
	enterprises; and							
(B)	total	outstanding	dues	of	29.35	21.80	1,480.85	1,170.99
	creditors							
	other than	micro	enterprises	and				
	small	enterprises						
					<b>29.35</b>	<b>21.80</b>	<b>1,529.26</b>	<b>1,171.27</b>

### Includes ₹ 38.80 Crore Payable towards purchase of PPE (31 March, 2019 Nil)

This information as required to be disclosed under Micro and Small Enterprises, to whom the Company owes dues (including interest on outstanding dues), which are outstanding as at the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

	(₹ in Crores)	
	As at 31 March, 2020	As at 31 March, 2019
(a) the principal amount remaining unpaid to any supplier at the end of each accounting year	47.87	0.28
(b) Interest due on principal amount remaining unpaid to any supplier at the end of each accounting year	0.54	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;	0.54	0.18
(e) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.54	0.18
(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.	0.54	0.18

### 20 LEASE LIABILITY OBLIGATION

	(₹ in Crores)			
	Non-Current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Lease Obligation	69.68	-	34.34	-
	<b>69.68</b>	<b>-</b>	<b>34.34</b>	<b>-</b>

### 21 PROVISIONS

	(₹ in Crores)			
	Non-Current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Provision for Gratuity	124.78	110.34	31.34	30.91
Provision for Compensated absences	104.11	328.20	24.51	29.30
Provision for Other Employment Benefits	19.35	-	2.65	-
	<b>248.24</b>	<b>438.54</b>	<b>58.50</b>	<b>60.21</b>

### 22 OTHER CURRENT LIABILITIES

	(₹ in Crores)			
	Non-Current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Deferred Revenue - Service Line Contributions from Consumers	226.94	224.83	9.54	-
Statutory dues payable	-	-	196.99	170.38
Advances From Customer	51.12	-	75.85	65.26
Other Payables	-	-	2.35	2.60
	<b>278.06</b>	<b>224.83</b>	<b>284.73</b>	<b>238.24</b>

## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

### 23 BORROWINGS

(At Amortised Cost)

	(₹ in Crores)	
	As at 31 March, 2020	As at 31 March, 2019
<b>Secured loans from banks</b>		
Short Term Loan against Regulatory Assets	-	78.99
Buyers credit	133.27	56.88
Working capital short term loan	840.00	115.60
Working capital loans repayable on demand	-	273.89
<b>Unsecured loans</b>		
Inter Corporate Deposit from Parent Company	-	460.25
Other Short term loan from banks	11.04	-
	<b>984.31</b>	<b>985.61</b>

#### Security and Rate of Interest

- (i) For Security of Short Term Loan, Buyers Credit and Working capital loans - Please Refer No 18 (I) & 18 (IV)
- (ii) The rate of interest for Secured / Unsecured loans from banks ranges from 2.13 % to 9.20 % and rate of interest on Unsecured loans from Parent Company was 11.00%.

### 24 OTHER FINANCIAL LIABILITIES (At Amortised Cost)

	(₹ in Crores)			
	Non-Current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Current maturities of long-term borrowings	-	-	33.33	967.10
Interest accrued but not due on borrowings	-	-	76.96	47.11
Payable towards purchase of PPE	-	-	151.49	92.88
Security Deposit from Consumers	-	-	469.72	431.87
Regulatory Liabilities other than Distribution	-	-	28.50	-
Security Deposit from Customers / Vendors	-	-	9.07	3.98
Other Financial Liabilities	-	-	59.79	60.87
Derivative Instruments designated in hedge accounting relationship	82.17	-	24.37	-
	<b>82.17</b>	<b>-</b>	<b>853.23</b>	<b>1,603.81</b>

### 25 CURRENT TAX LIABILITIES

	(₹ in Crores)	
	As at 31 March, 2020	As at 31 March, 2019
Current Tax Liabilities	24.21	9.08
	<b>24.21</b>	<b>9.08</b>

# Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

## 26 REVENUE FROM OPERATIONS

	(₹ in Crores)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
<b>a) Income from Sale of Power and Transmission Charges</b>		
Income from Sale of Power and Transmission Charges (Net)	7,552.32	7,325.79
(Net of ₹ 170.80 Crore in respect of Tax recovered on certain Regulatory Assets)		
(Less)/Add: Income to be adjusted in future tariff determination (Net)	(31.02)	13.73
<b>Sub Total (a) - Refer Note 38</b>	<b>7,521.30</b>	<b>7,339.52</b>
<b>b) Other Operating Income</b>		
Insurance Claim Received	1.85	2.00
Income in respect of Services rendered	7.48	6.88
Sale of Coal Rejects / Fly Ash	21.15	9.89
Street Light Maintenance Charges	105.24	107.56
Amortisation of Service Line Contribution	8.49	7.42
Miscellaneous Revenue	10.84	10.93
<b>Sub Total (b)</b>	<b>155.05</b>	<b>144.68</b>
<b>c) Sale of Traded Goods</b>		
Sale of Traded Goods	29.01	9.73
	29.01	9.73
<b>Total</b>	<b>7,705.36</b>	<b>7,493.93</b>

### Details of Revenue from Contract with Customers

	(₹ in Crores)	
Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Total Revenue from Contract with Customers	7,549.93	7,356.29
Street Light Maintenance Charges	105.24	107.56
Sale of Traded Goods	29.01	9.73
Add: Cash Discount/Rebates etc.	37.06	29.04
<b>Total Revenue as per Contracted Price</b>	<b>7,721.24</b>	<b>7,502.62</b>

### Transaction Price - Remaining Performance Obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date.

There are no aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March, 2020, other than those meeting the exclusion criteria mentioned above.

Revenue is disaggregated by type and nature of product or services.

## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

### Contract Balances

	(₹ in Crores)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
<b>Contract Assets</b>		
Recoverable from Consumers		
Non-current	-	4.78
Current	-	-
<b>Total Contract Assets</b>	-	4.78
<b>Contract liabilities</b>		
Liabilities towards Consumers		
Non-current	-	-
Current	28.50	-
<b>Total Contract Liabilities</b>	28.50	-
<b>Receivables</b>		
Trade Receivables (Gross)	616.70	452.74
Unbilled Revenue for passage of time	519.40	610.45
(Less): Allowance for Doubtful Debts	(64.70)	(27.04)
<b>Net Receivables</b>	1,071.40	1,036.15

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognised as revenue as and when the performance obligation is satisfied.

Significant changes in the contract assets and the contract liabilities balances during the year are as follows :

	(₹ in Crores)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
<b>Opening Balance</b>		
Recoverable from consumers	4.78	-
Liabilities towards consumers	-	-
<b>A</b>	4.78	-
Income to be adjusted in future tariff determination in respect of earlier year (of which Rs. 2.26 crores recoverable from others)	(10.22)	(8.95)
Income to be adjusted in future tariff determination (Net)	(23.06)	13.73
<b>B</b>	(33.28)	4.78
<b>Closing Balance</b>		
Recoverable from consumers	-	4.78
Liabilities towards consumers	28.50	-
<b>(A+B)</b>	28.50	4.78



# Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

## 27 OTHER INCOME

	For the year ended 31 March, 2020	(₹ in Crores) For the year ended 31 March, 2019
<b>a) Interest Income</b>		
On Financial Assets carried at Amortised Cost		
Bank Deposits	20.19	14.65
Overdue Trade Receivables	4.27	16.68
On non current investment - Contingency Reserve Fund	2.34	9.61
On Intercompany Deposits	23.66	-
Other interest	32.79	3.47
Interest on Security Deposits - Lease	0.93	-
<b>b) Gain/(Loss) on Investments</b>		
Gain On Sale / Fair Value Of Current Investments Measured at FVTPL	15.89	2.01
Gain On Sale / Fair Value Of Current Investments Measured at FVTPL - Contingency Reserve Fund	10.78	2.47
<b>c) Other Non-operating Income</b>		
Gain on Extinguishment of Financial Liabilities	-	55.39
Bad Debts Recovery	8.85	4.99
Sale of Scrap	6.67	3.68
Rental Income	0.43	0.78
Delayed Payment Charges	38.21	28.78
Foreign Exchange Gain (net)	-	6.01
	<b>165.01</b>	<b>148.52</b>

## 28 EMPLOYEE BENEFIT EXPENSES

	For the year ended 31 March, 2020	(₹ in Crores) For the year ended 31 March, 2019
Salaries, Wages & Bonus	733.14	670.31
Contribution To Gratuity	42.72	73.26
Contribution to Provident and Other Funds	52.46	50.67
Contribution to Superannuation Fund	8.39	8.22
Compensated absences	70.51	37.07
Staff Welfare Expenses	113.39	95.29
	<b>1,020.61</b>	<b>934.82</b>
Less : Staff Cost Capitalised	(126.46)	(66.94)
<b>Total</b>	<b>894.15</b>	<b>867.88</b>

## 29 FINANCE COSTS

	For the year ended 31 March, 2020	(₹ in Crores) For the year ended 31 March, 2019
<b>a) Interest Expense</b>		
<b>Borrowings - Amortised Cost</b>		
Rupee Term Loans (Refer Note 1)	920.46	881.79
\$ Senior Secured Note	43.02	-
\$ Shareholders Affiliated Debts	19.24	-
\$ External Commercial Borrowings	2.15	-
Working Capital Loans	29.22	53.70
Foreign Exchange Fluctuation Gain(net)-Borrowings (Refer Note 3)	(52.05)	

## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

	(₹ in Crores)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Interest - Hedging Cost	41.63	-
Interest on Intercompany Deposit - Parent Company	38.58	31.16
<b>Others</b>		
Security Deposits From Consumers at amortised cost	42.42	38.50
Interest on lease obligation	6.89	-
Interest - Others	42.99	5.16
	1,134.55	1,010.31
Less : Interest Cost Capitalised	(21.75)	(11.48)
	1,112.80	998.83
<b>b) Other Borrowing Costs</b>		
Other Finance Cost	5.69	2.99
<b>Total</b>	<b>1,118.49</b>	<b>1,001.82</b>

Note :

\$ In Foreign Currency,

- 1 Includes ₹ 157.20 Crore (unamortised upfront fees) charged off on refinancing of Rupee Term Loans with Foreign Currency Debt.
- 2 The weighted average capitalisation rate on the Company's general borrowings is 9.09 % (31 March 2019 : 9.0%) per annum.
- 3 Including Mark to Market gain of ₹ 648.84 Crore on Derivative Instruments designated in hedge accounting relationship.

### 30 OTHER EXPENSES

	(₹ in Crores)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Consumption Of Stores & Spares	58.63	58.58
Repairs & Maintenance		
- Plant & Machinery	277.74	250.53
- Buildings	14.05	14.91
- Others	8.64	14.02
Rental of Land, Building, Plant & Machinery Etc	-	25.30
@ Short Term Lease Rental of Land, Building, Plant & Machinery Etc	17.07	-
Vehicle Hire Charges	22.79	26.52
Rates and Taxes	10.18	17.01
Legal & Professional Expenses	129.78	123.99
Directors' Sitting Fees	0.04	0.01
Bank Charges	8.51	10.41
@@ Payment to Auditors	1.56	1.44
Communication Expenses	8.59	8.23
Travelling & Conveyance Expenses	15.01	16.47
Insurance Expenses	19.05	19.05
License fees	1.69	1.93
Security Charges	32.73	32.87
Seminar & Training Expenses	3.12	0.88
Software Expenses	12.34	1.89
Share Issue Expenses	-	2.91
Provision for Doubtful Trade Receivables	32.60	23.53

## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

	(₹ in Crores)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Provision for Doubtful Deposits	-	1.05
Bill Print/Collection/ Distribution	7.47	9.22
Foreign Exchange Fluctuation Loss(net)	12.53	-
Call Center Expenses	6.44	5.54
(Profit) / Loss on Sale of Assets (net)	4.57	17.28
Donations	-	0.30
Corporate Social Responsibility Expenses	-	0.97
Electricity Expenses	0.48	0.25
Printing & Stationery	3.41	3.33
Other Miscellaneous Expenses	14.80	18.63
Advertisement & Publicity	5.51	4.42
Water charges	2.90	3.18
<b>Total</b>	<b>732.23</b>	<b>714.65</b>

@ Lease Rentals in respect of low value assets is not material.

### (i) Payment to auditors (inclusive of GST)

	(₹ in Crores)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
As auditor:		
Statutory Audit Fees	1.42	1.42
Other Services	0.11	0.02
Out of Pocket Expenses	0.03	-
<b>Total</b>	<b>1.56</b>	<b>1.44</b>

@@ Excludes sum of ₹ 1.18 Crore ( 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.

### (ii) Corporate Social Responsibility Expenses

Amount required to be spent as per section 135 of the Act	0.92	-
Amount spent during the year		
(a) Construction, Acquisition of asset	-	-
(b) On purpose other than (a) above	-	0.97

the Company intends to spend the unutilised amount in the subsequent year on COVID-19 related activities, etc.

## 31 TAX EXPENSES

### 1 Income Taxes recognised in the statement of profit & loss

	(₹ in Crores)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Current Income Tax (MAT)	50.84	41.98
Deferred Tax	151.74	65.68
<b>Total</b>	<b>202.58</b>	<b>107.66</b>

## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

### 2 Income Tax recognised in other comprehensive income

	(₹ in Crores)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Current Income Tax		
- Remeasurement of Defined Benefit Plans	3.61	-
Total income tax recognised in other comprehensive income	3.61	-
<b>Bifurcation of the income tax recognised in other comprehensive income into:</b>		
Items that will be reclassified to statement of profit and loss		
Items that will not be reclassified to statement of profit and loss	3.61	
<b>Total</b>	<b>3.61</b>	<b>-</b>
<b>The income tax expenses for the year can be reconciled to the accounting profit as follows:</b>		
Profit/(Loss) Before Tax	252.80	169.14
Income tax using the Company's domestic tax rate	88.34	59.10
Tax Effect of :		
- Non deductible Expenses	-	1.46
- Interest on Perpetual Instrument	(8.29)	(5.50)
- MAT credit not recognised	50.84	41.98
- Tax on other Items	3.71	10.62
- Deferred Tax Assets Written off	95.98	-
- Deferred Tax Asset on unabsorbed Depreciation in respect of earlier years	(28.00)	-
<b>Income tax expense recognised in Statement of Profit and Loss</b>	<b>202.58</b>	<b>107.66</b>

#### Notes

- The tax rate used for the years 31 March, 2020 and 31 March, 2019 reconciliations above is the corporate tax rate of 34.944% payable by corporate entities in India on taxable profits under the Indian tax law.
- The rate used for calculation of Deferred tax is 34.944%, being statutory enacted rate at respective Balance Sheet date.
- The Union Cabinet on 20 November 2019 approved the proposal for introducing the Taxation Laws (Amendment) Bill, 2019 in order to replace the Ordinance, 2019. Accordingly, on 25 November 2019, the Taxation Laws (Amendment) Bill, 2019 (Bill) was introduced which received the assent of the President of India on 12 December 2019. The Taxation Laws Amendment Bill inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective 01 April, 2019 subject to certain conditions. the Company has decided not to avail the benefit provided under the above Bill, however the Company would evaluate its option in the future based on business developments.

### 3 Deferred Tax

	(₹ in Crores)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Deferred tax Assets	764.89	517.67
Deferred tax Liabilities	815.31	416.35
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>(50.42)</b>	<b>101.32</b>

# Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

2019-20

	Opening Balance	Recognised in Profit & Loss	(₹ in Crores) Closing Balance
<b>Deferred Tax Assets in relation to</b>			
Allowance for Doubtful Debts, Deposits and Advances	8.59	(8.59)	-
Provisions for employee benefits and others	186.74	(186.74)	-
Unabsorbed Depreciation	322.34	442.55	764.89
	517.67	247.22	764.89
<b>Deferred Tax liabilities in relation to</b>			
Property, Plant & Equipment	416.35	398.96	815.31
	416.35	398.96	815.31
<b>Deferred Tax Asset/(Liability) (Net)</b>	101.32	(151.74)	(50.42)

2018-19

	Opening Balance	Arising on Business Combination	Recognised in Profit & Loss	(₹ in Crores) Closing Balance
<b>Deferred Tax Assets in relation to</b>				
Allowance for Doubtful Debts, Deposits and Advances	-	-	8.59	8.59
Provisions for employee benefits and others	-	167.00	19.74	186.74
Unabsorbed Depreciation	-	-	322.34	322.34
	-	167.00	350.67	517.67
<b>Deferred Tax liabilities in relation to</b>				
Property, Plant & Equipment	-	-	416.35	416.35
	-	-	416.35	416.35
<b>Deferred Tax Asset/(Liability) (Net)</b>	-	167.00	(65.68)	101.32

As at 31 March, 2020 MAT Credit not recognised ₹ 88 Crore (31 March 2019 ₹ 41.98 Crore) and Tax Losses carried forward is ₹ 2,188.91 Crore (31 March, 2019 ₹ 922.47 Crore)

## 32 EARNINGS PER SHARE (EPS)

		For the year ended 31 March, 2020	For the year ended 31 March, 2019
(A) Before net Movement in Regulatory Deferral Balance			
Profit / (Loss) attributable to Equity Shareholders		50.22	61.48
Add/(Less): Net Movement in Regulatory Deferral Balance		(232.77)	157.59
Income tax on Regulatory Income / (expense)		40.67	(33.96)
Regulatory Income / (expense) (net of tax)		(192.10)	123.63
Net Profit / (Net Loss) excluding regulatory Income		242.32	(62.15)
Less Distribution on unsecured perpetual instrument		(23.72)	(15.75)
Net Profit / (Net Loss) attributable to Equity Shareholders excluding Regulatory income/(expense)		218.60	(77.90)
Number of Weighted Average Equity Shares, outstanding during the year for basic / diluted EPS	No	3,503,512,256	2,086,625,342
Nominal Value of Equity Shares	₹	10.00	10.00
Basic / Diluted Earnings per Share before net Movement in Regulatory Deferral Balance	₹	0.62	(0.37)



## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

(B) After net Movement in Regulatory Deferral Balance				
Profit / (Loss) attributable to Equity Shareholders		50.22		61.48
Less Distribution on unsecured perpetual instrument		(23.72)		(15.75)
Net Profit / (Net Loss) attributable to Equity Shareholders including Regulatory income/(expense)		26.50		45.73
Number of Weighted Average Equity Shares, outstanding during the year for basic EPS	No	3,503,512,256		2,086,625,342
Nominal Value of Equity Shares	₹	10.00		10.00
Basic / Diluted Earnings per Share after net Movement in Regulatory Deferral Balance	₹	0.08		0.22

### 33 BUSINESS COMBINATION DURING THE YEAR ENDED 31 MARCH, 2019

- Consequent to a scheme of arrangement approved by the High Court of Judicature at Bombay, and other regulatory approvals obtained in this regard, the Mumbai Power business of Reliance Infrastructure Limited (RINFRA) consisting of Generation, Transmission and Distribution assets and liabilities has been demerged and transferred into the Company with an appointed date of 1 April, 2018 and the name of the Company was changed to Adani Electricity Mumbai Limited. The scheme of arrangement as approved, required that the assets and liabilities as at the appointed date be accounted for at Fair Values in the books of the Company upon transfer on demerger.

Pursuant to the share purchase agreement (Including Supplementary Agreements) entered into between RINFRA, Adani Transmission Limited (ATL) and the Company, ATL acquired 100% equity share capital of the Company on 29 August, 2018 for a cash consideration of ₹ 12,350.00 Crore. The said acquisition has been accounted as a business acquisition in terms of Ind AS 103 – Business Combinations.

On final determination of the fair values, the Company has accounted for assets and liabilities at fair values which has resulted in the Company acquiring assets including property, plant and equipment, intangible assets and other current / non-current assets at a Fair Value of ₹ 16,824.56 Crore along with borrowings, and other current / non-current liabilities at a Fair Value of ₹ 4,243.78 Crore. The purchase price consideration aggregating to ₹ 12,350.00 Crore was discharged by availment of borrowings amounting to ₹ 8,950.00 Crore and balance of ₹ 3,400.00 Crore in cash to RINFRA resulting in Capital Reserve on acquisition amounting to ₹ 230.78 Crore.

The above acquisition was done by the Adani Group, with an intention to enter the power distribution business and exploit the synergies with the Groups other related infrastructure business.

- Fair Value of assets acquired and liabilities recognised w.e.f. appointed date i.e. April 01, 2018.**

#### ASSETS

##### Non-current Assets

Property, Plant and Equipment	11,817.41
Capital Work-In-Progress	189.47
Intangible Assets (including transmission license)	992.97
Financial Assets	
(i) Investments	116.38
(ii) Loans	26.43
(iii) Other Financial Assets	52.98
Deferred Tax Assets (Net)	167.00
Other Non-current Assets	11.02

##### Current Assets

Inventories	314.58
Financial Assets	
(i) Investments	22.98
(ii) Trade Receivables	424.64
(iii) Loans	2.87
(iv) Other Financial Assets	1,452.11
Other Current Assets	88.66

## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

<b>Regulatory Deferral Account - Assets</b>	<b>1,145.06</b>
<b>Total Assets</b>	<b>16,824.56</b>
<b>LIABILITIES</b>	
<b>Reserves</b>	
Contingency Reserve	157.89
<b>Non-current Liabilities</b>	
Financial Liabilities	
(i) Trade Payables	19.17
Other Non Current Liabilities	210.73
Provisions	449.72
<b>Current Liabilities</b>	
Financial Liabilities	
(i) Trade Payables	1,256.16
(ii) Other Financial Liabilities	1,572.55
Other Current Liabilities	306.00
<b>Regulatory Deferral Account - Liabilities</b>	<b>271.56</b>
<b>Total Liabilities</b>	<b>4,243.78</b>
<b>Net identifiable assets acquired</b>	<b>12,580.78</b>
Consideration paid in Cash (Net of Nil Cash and cash equivalent balance acquired)	3,400.00
Consideration discharged by availment of borrowings	8,950.00
<b>Total Consideration transferred</b>	<b>12,350.00</b>
Capital reserve arising on acquisition directly recognised in Equity	230.78

Acquisition related cost in respect of the above business combination have been born by the Parent Company.

- 3 The fair value of the trade receivables expected to collected amounts to ₹ 424.64 Crore. The gross amount of trade receivables is ₹ 502.14 Crore. However, fair value of the trade receivables is not credit impaired and it is expected that the full contractual amounts can be collected.
- 4 The fair value of PPE and Intangible assets has been determined based on valuations done by Government approved valuer / professional valuation firm.
  - (i) The critical estimates / judgements involved in fair value measurements in respect of PPE :
    - Land prices, Floor Space Index potential, Construction & other associated costs.
    - Inflation indices, Discount for technical and functional obsolescence.
    - Re-instatement costs.
  - (ii) The critical estimates / judgements involved in fair value measurements in respect of Intangible Assets - Transmission & Distribution License are based on :
    - Future capital expenditure
    - Discount rate and Perpetuity growth rate
    - Valuation method used

- 34 As stated in Note 33 above, during the pervious year ended 31 March 2019, the Company has acquired the Mumbai Power Business consisting of generation, transmission and distribution business (the "Business") of Reliance Infrastructure Limited ("RINFRA") pursuant to a Scheme of Arrangement (the "Scheme") between the Company, Adani Transmission Limited – Holding Company ("ATL") and RINFRA, which was approved by the Honorable High Court of Mumbai with an appointed date of 1 April, 2018, and other regulatory approvals. Consequent to receipt of all regulatory/ lenders approvals which were received in August 2018, ATL / the Company obtained control of the said Business from RINFRA on 29 August, 2018, being the date of acquisition / control. In terms of the Scheme approved as above, the assets and liabilities of the acquired Business are required to be accounted for at their respective fair values as of the appointed date of 1 April, 2018, which is contrary to the accounting treatment prescribed under IND AS 103 – Business Combinations, which requires the assets and liabilities of the acquired business to be accounted for at their respective fair values as on the date of acquisition / control on 29 August, 2018.

The impact of the above accounting treatment on the fair values of Assets and Liabilities as at the acquisition date would have resulted in a lower fair value of ₹ 22.17 Crore as at the acquisition date.

## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

- 35** In accordance with the requirements of Ind AS 36 "Impairment of Assets", Transmission Cash Generating Unit ("TCGU") which includes carrying value of Transmission License having indefinite useful life being Transmission License (₹ 981.62 Crore), has been tested for impairment as at 31 March, 2020 wherein, 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 9 % per annum has been used. In arriving at the recoverable amount of the TCGU , financial projections have been developed for 5 years and thereafter in perpetuity considering a terminal growth rate of 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 (31 March 2019 - ₹ Nil) Crore. 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

- (i) Discount Rate: 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
- (ii) Capital expenditure / Capitalisation: Capital expenditure and capitalisation for 5 years is estimated based on management projections considered for purposes of Multi Year Tariff filing with MERC and thereafter ₹ 250 Crore per annum.

### 36 LEASES

#### (i) Disclosure under Ind AS 116 Leases:

- a) The following is the movement in Lease liabilities during the year ended 31st March, 2020

(₹ in Crores)	
Particulars	
<b>Balance as at 1st April, 2019</b>	
Lease Liabilities on account of adoption of Ind AS 116	63.75
Lease Liabilities on account of Leases entered / terminated during the year	65.55
Payments of Lease Liabilities	(25.28)
<b>Balance as at 31 March, 2020 (refer note 20)</b>	<b>104.02</b>

- b) the Company had a 25 year long term Power Purchase Agreement (PPA) with Vidharbha Industries Power Limited (VIPL), wherein the Company has committed to purchase the entire output generated from VIPL's generating station located at Butibori. In terms of the PPA, the Company 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 Company on assessment of the above arrangement has concluded, that considering the Company 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 Company 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").

#### (ii) Disclosure under Ind AS 17 Leases for the year ended 31 March 2019

- a) the Company's significant leasing arrangements are in respect of operating leases of premises for office premises, residential premises, warehouses and cash collection centers for a period of eleven months to five years. These leasing arrangements are usually renewable on mutually agreed terms and are generally not non-cancellable. Under these arrangements, generally refundable interest free deposits have been given. Lease payments in respect of premises for office premises, residential premises, warehouses and cash collection centers amounting ₹ 23.27 Crore are included under 'Rental of Land, Building, Plant & Machinery Etc.' in Note 30.

## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

The future minimum lease payments in respect of non-cancellable leases is as follows : -

	For the year ended 31 March, 2019
Less than 1 year	8.45
Between 1 to 5 years	6.04
More than 5 years	-
	<b>14.49</b>

the Company has not entered into any financial lease.

Material Leasing arrangements with respect to land range between 25 years to 99 years generally wherein the entire lease rent has been paid in advance.

- b) the Company has a 25 year long term Power Purchase Agreement (PPA) with Vidharbha Industries Power Limited (VIPL), wherein the Company has committed to purchase the entire output generated from VIPL's generating station located at Butibori. In terms of the PPA, the Company 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.

the Company on assessment of the above arrangement has concluded, that the payment towards fixed monthly capacity charge is contingent on plant availability which is the responsibility of VIPL, and accordingly such lease has been classified as operating lease.

### 37 CONTINGENT LIABILITIES AND COMMITMENTS

	As at 31 March, 2020	(₹ in Crores) As at 31 March, 2019
<b>(A) Contingent liabilities :</b>		
Claims against the Company not probable and hence not acknowledged as debts consists of : -		
(i) Demand disputed by the Company relating to Service tax on Street Light Maintenance, wheeling charges and cross subsidy surcharges - Refer note 3	353.55	353.55
(ii) Take or Pay dispute with The Tata Power Company Ltd (TPCL) - Refer note 4	-	323.87
(iii) Claims raised by the Government authorities towards unearned income arising on alleged transfer of certain land parcels - Refer note 3	127.65	127.65
(iv) Demand towards fixed charges payable in respect of power drawn from the state pool - Refer note 5	99.68	124.60
(v) Way Leave fees claims disputed by the Company relating to rates charged - Refer note 3	28.43	20.60
(vi) Property related disputes - Refer note 3	2.59	2.59
(vii) Other claims against the Company not acknowledged as debts	2.12	2.12
(viii) Claims raised by Vidharbha Industries Power Limited (VIPL) in respect of increase in fuel cost for the financial year ended 31 March, 2019 - Refer Note 3	1,381.28	1,381.28
	<b>1,995.30</b>	<b>2,336.26</b>

#### Notes:

- Amounts in respect of employee related claims/disputes, consumer related litigation, regulatory matters is not ascertainable.
- Future cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.
- In terms of the Share Purchase Agreement entered into by the Company, ATL with RINFRA, in the event the above matters are decided against the Company and are not recoverable from the consumers, the same would be recovered from RINFRA.

## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

- 4 Pursuant to the order passed by MERC dated December 12, 2007, in case No. 7 of 2002, TPCL has claimed an amount of ₹ 323.87 Crore towards the following:
- Difference in the energy charge for energy supplied by TPCL at 220 kV interconnection for the period March 2001 to May 2004 along with interest at 24% per annum up to December 31, 2007, and
  - Minimum off-take charges for energy for the years 1998-99 to 1999-2000 along with interest at 24% per annum up to December 31, 2007.

In an appeal filed by the Company, ATE held that the amount in the matter (a) above is payable by the Company along with interest at State Bank of India prime lending rate for short term borrowings. The matter (b) was remanded to MERC for redetermination. the Company had filed an appeal against the said order before the Supreme Court, which while admitting the appeal, had by way of interim order restrained TPC from taking any coercive action in respect of the matter stated in (a) above and TPCL had also filed an appeal against the said order. the Company has complied with the interim order directions of depositing ₹ 25 Crore with the Registrar of Supreme Court which has been withdrawn by TPCL and has provided a Bank Guarantee of ₹ 9.98 Crore.

During the year, Supreme Court has issued its final order in respect of the above matter and consequent to the same, the Company has paid a sum ₹ 41.92 Crore (including interest of ₹ 31.94 Crore and net of deposit of ₹ 25 Crore) to TPCL towards difference in Energy Charges, further a sum of ₹ 40.49 Crore has been paid by the Company to TPCL towards its claim of Take or Pay charges.

The above amounts are recoverable from the consumers as part of the truing up exercise.

- 5 MERC vide its order dated 26 September, 2019 has upheld the demand raised by MSEDCL on the Company of ₹ 124.60 Crore, towards payment of fixed cost in respect of power procured from the State pool during the financial years ended 31 March, 2012 to 31 March 2018. Similar demands have also been raised by MSEDCL on other Mumbai Licensees.

MERC in its above order, has however differed with the methodology adopted by MSLDC in calculating the above demand, and has issued instructions to MSLDC to issue revised bills based on the agreed revised methodology within a period of 1 year, and further, considering the amount/period involved directed MSLDC to set up a task force comprising officials from all Maharashtra Utilities to complete the task. MERC has also instructed that any amount payable (including relevant carrying cost) can be claimed by the respective Mumbai Licensees during the truing up/ARR exercise.

In terms of the above stated MERC Order, considering the proposed revision in the methodology to be adopted by MSLDC in calculating the above, and the complexities involved/unavailability of technical data in respect of all utilities, the management is unable to make an estimate of the above liability and accordingly no provision has been made in respect of the above as at 31 March, 2020. the Company would account for the same and pass through to the consumers, as and when the provisional/final invoices would be received.

Further an amount of ₹ 24.92 Crore which was paid as an interim payment against the above demand based on MERC instructions in the previous year, has been charged to cost of power purchased during the year and recovered from consumers as part of FAC mechanism.

- 6 The above Contingent Liabilities to the extent pertaining to Regulated Business, which on unfavorable outcome are recoverable from consumers subject to MERC approval.

the Company, 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.

### (B) Commitments :

		(₹ in Crores)	
		As at 31 March, 2020	As at 31 March, 2019
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	211.00	414.13
		<b>211.00</b>	<b>414.13</b>
(ii)	In terms of the MERC RPO obligation regulations, the Company is required to procure on an annual basis a certain quantum of power generated from renewable sources, as at 31 March, 2020 the Company has an cumulative outstanding commitment to procure renewable power of 3211 MU's (31 March, 2019 - 2067 Mu's)		



## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

the Company 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 31 March, 2022.

the Company 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 the Company 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 the Company of its past RPO obligations.

- 38** Maharashtra Electricity Regulatory Commission ("MERC") vide its order dated 30 March, 2020, has approved the Truing-up of Annual Revenue Requirement (ARR) for FY 2017-18 and FY-2018-19, Provisional Truing-up of ARR for FY 2019-20 and ARR and Tariff for the Fourth Control Period from 2020-21 to 2024-25 for Generation, Transmission and Distribution Business of the Company (MYT Order). Consequent to the above order, the Company in respect of final truing up done for FY 2018-19 has recognised net income of ₹ 143.98 Crore during the year ended 31 March, 2020.

- 39** ATL has acquired the control of the Company wef 29 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 prior to August 28, 2018 is to the account of R-infra.

Considering the order was received on 30 March, 2020, the management is in process of doing a detailed evaluation of the order, so as to finalize the amount recoverable. Such recoverable amounts are mainly on account of various components such as annual surplus, capex disallowances, MAT credit etc. Pending final determination of the amount recoverable from RINFRA, the same has not been accounted for as at 31 March, 2020 and would be accounted for as and when such amount is finally determined.

### 40 RELATED PARTY DISCLOSURE

As per the Ind AS 24, disclosure of transactions with related parties, are given below:

#### Name of related parties & description of relationship

<b>(A) Ultimate Holding Entity</b>	S. B. Adani Family Trust (SBAFT) (w.e.f 29.08.2018)
<b>(B) Holding Company</b>	Adani Transmission Limited - (w.e.f 29.08.2018)
	Reliance Infrastructure Limited - (Upto 29.08.2018)
<b>(C) Subsidiary Company</b>	Adani Electricity Mumbai Infra Ltd (w.e.f. 03.01.2020)
<b>(D) Key Management Personnel:</b>	Mr. Kandarp Patel, Managing Director & CEO - (w.e.f 29.08.2018)
	Mr. Rakesh Tiwary, Chief Financial Officer - (w.e.f 01.11.2018)
	Mr. Abhijit Banerjee, Company Secretary - (w.e.f 29.08.2018 and Upto 13.02.2020) & Director - (Upto 28.08.2018)
	Mr. Jaldhi Shukla, Company Secretary - (w.e.f 13.02.2020)
	Mr. Anil Sardana, Director - (w.e.f 29.08.2018)
	Mr. Sagar Adani, Director - (w.e.f 29.08.2018)
	Mr. K Jairaj, Independent Director - (w.e.f 29.08.2018)
	Ms. Chitra Bhatnagar, Director (w.e.f 29.09.2019)
	Mr. Divyesh Dalal, Director - (Upto 28.08.2018)
	Mr. Prakash Khedekar, Director - (Upto 28.08.2018)
<b>(E) Entity having significant influence</b>	Qatar Holding LLC (w.e.f. 10.02.2020)
<b>(F) Enterprises over which (A) or (B) or (D) or (E) above have significant influence :</b>	
(where transactions have taken place during the year and previous year / balance outstanding)	
	Adani Power Limited - (w.e.f 29.08.2018)
	Adani Enterprises Limited - (w.e.f 29.08.2018)
	Adani FinServ Private Limited - (w.e.f 29.08.2018)
	Adani Properties Private Limited - (w.e.f 29.08.2018)
	Adani Capital Private Limited - (w.e.f 29.08.2018)
	Adani Housing Finance Private Limited - (w.e.f 29.08.2018)

## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

	Karnavati Aviation Private Limited-(w.e.f 29.08.2018)
	Adani Power (Mundra) Limited-(w.e.f 29.08.2018)
	Adani Green Energy Limited-(w.e.f 29.08.2018)
	Mundra Solar Pv Ltd-(w.e.f 29.08.2018)
	Sunbourne Developers Private Limited (w.e.f.29.08.2018)
	Adani Institute For Education & Research (w.e.f.29.08.2018)
	Adani Township & Real Estate Company Limited (w.e.f.29.08.2018)
	AEML Infrastructure Limited (w.e.f.12.12.2018)
	Rosepetal Solar Energy Private Limited (w.e.f.29.08.2018)
	Reliance Infocomm Infrastructure Limited - (Upto 28.08.2018)
	Reliance General Insurance Company Limited - (Upto 28.08.2018)
	Reliance Innoventures Private Limited - (Upto 28.08.2018)
	Reliance Communication Limited - (Upto 28.08.2018)
	Reliance Infratel Limited - (Upto 28.08.2018)
	Reliance General Insurance Company Limited - (Upto 28.08.2018)
	Reliance Health Insurance Limited - (Upto 28.08.2018)
	Reliance Home Finance Limited - (Upto 28.08.2018)
	Reliance Nippon Life Asset Management Limited - (Upto 28.08.2018)
	Dhursur Solar Power Private Limited - (Upto 28.08.2018)
	Reliance Power Limited - (Upto 28.08.2018)
	Vidarbha Industries Power Limited - (Upto 28.08.2018)
	Sasan Power Limited - (Upto 28.08.2018)
	DA Toll Road Private Limited - (Upto 28.08.2018)
	Reliance Commercial Finance Limited - (Upto 28.08.2018)
	Sasan Power Limited - (Upto 28.08.2018)
<b>(G) Employee Benefits Funds :</b>	AEML Gratuity Fund - (w.e.f. 01.09.2018)
	AEML Superannuation Fund - (w.e.f. 01.09.2018)
	AEML Leave Encashment fund - (w.e.f. 01.09.2018)
	Reliance Infrastructure Limited Gratuity Fund - (Upto 28.08.2018)
	Reliance Infrastructure Limited Superannuation Fund - (Upto 28.08.2018)

				(₹ in Crores)	
Nature of Transaction		Name of Related Party	For the year ended 31 March, 2020	For the year ended 31 March, 2019	
Unsecured Perpetual Instrument	available	Adani Transmission Limited	-	243.06	
Distribution on Unsecured Perpetual Instrument		Adani Transmission Limited	23.72	15.75	
Insurance Premium paid		Reliance General Insurance Company Limited	-	1.23	
Reimbursement of Expenses		Adani Transmission Limited	2.90	142.24	
Inter Corporate Deposit (ICD) Received		Adani Transmission Limited	120.00	710.25	
		Reliance Infrastructure Limited	-	77.35	
Inter Corporate Deposit (ICD) Repaid		Adani Transmission Limited	160.00	250.00	
		Reliance Infrastructure Limited	-	108.31	
Conversion of Unsecured Perpetual Instrument into Equity Shares		Adani Transmission Limited	280.95	-	
Conversion of ICD (including interest accrued) into Equity Shares		Adani Transmission Limited	460.25	-	
Issue of Equity Shares on Conversion of ICD (including interest accrued) and Unsecured Perpetual Instrument - (refer note 15)		Adani Transmission Limited	741.20	-	

## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

Nature of Transaction	Name of Related Party	(₹ in Crores)	
		For the year ended 31 March, 2020	For the year ended 31 March, 2019
Inter Corporate Deposit (ICD) Given	Adani Capital Private Limited	90.00	-
	Adani Housing Finance Private Limited	10.00	-
	Adani Properties Private Limited	1,620.00	-
Inter Corporate Deposit (ICD) Received Back	Adani Capital Private Limited	90.00	-
	Adani Housing Finance Private Limited	10.00	-
Consideration paid towards purchase of business (Net of Advance adjusted)	Reliance Infrastructure Limited	-	10,850.00
Amount received towards regulatory liability	Reliance Infrastructure Limited	-	271.56
Share application money received	Reliance Infrastructure Limited	-	3,400.00
Interest Paid on ICD	Adani Transmission Limited	38.58	31.16
Commitment Charges Paid	Qatar Holding LLC	7.52	-
Interest Paid on Sub debt	Qatar Holding LLC	19.24	-
Interest Received on ICD (Loans)	Adani Capital Private Limited	2.07	-
	Adani Housing Finance Private Limited	0.26	-
	Adani Properties Private Limited	3.00	-
Equity Investment	Adani Electricity Mumbai Infra Ltd	0.01	-
Tender Fees Received	Rosepetal Solar Energy Private Ltd	0.04	-
Earnest Money Deposit (EMD) received	Adani Enterprises Limited	0.99	-
Contribution to Employee Benefits	AEML Gratuity Fund	1.01	5.00
	AEML Leave Encashment Fund	258.01	-
	Provident Fund Of Reliance Infrastructure Limited	-	15.52
	AEML Superannuation Fund	8.39	4.75
	Reliance Infrastructure Limited Superannuation Fund	-	3.47
Purchase of Services	Karnavati Aviation Private Limited	12.98	4.74
	Adani Finserve Private Limited	-	8.26
	Reliance Infocomm Infrastructure Limited	-	0.01
	Adani Transmission Limited	-	29.48
	Adani Power (Mundra ) Limited	0.02	-
	Adani Institute For Education & Research	-	-
	Adani Township & Real Estate Company	0.34	-
Purchase of PPE	Adani Enterprises Limited	101.75	71.83
	Adani Power Limited	-	0.33
	Mundra Solar Pv Limited	0.48	-

## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

		(₹ in Crores)	
Nature of Transaction	Name of Related Party	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Employee advance transferred	Adani Enterprises Limited	-	0.01
	Adani Power Limited	1.51	-
Employees benefits Received	Adani Power (Mundra ) Limited	-	0.44
	Adani Green Energy Limited	-	0.16
	Mundra Solar Pv Ltd	-	0.09
Subordinate debt received	Qatar Holding LLC	2,009.64	-
Advance - Paid	AEML Infrastructure Limited	3.41	-
Advance paid towards Purchase of property	Sunbourn Developers Private Limited	271.00	-
Advance paid towards Purchase of Power	Adani Enterprises Limited	200.00	-
Subordinate debt repaid	Reliance Infrastructure Limited	-	3.70
Purchase of Power (net of discount)	Adani Enterprises Limited (excluding banking transactions)	1,035.91	79.97
	Dhursur Solar Power Private Limited	-	49.40
	Reliance Innoventures Private Limited	-	34.75
	Reliance Power Limited	-	26.33
	Vidarbha Industries Power Limited	-	400.74
Rent Received	DA Toll Road Private Limited	-	0.00
	Reliance Commercial Finance Limited	-	0.00
	Reliance General Insurance Company Limited	-	0.00
	Reliance Health Insurance Limited	-	0.00
	Reliance Home Finance Limited	-	0.00
	Reliance Nippon Life Asset Management Limited	-	0.02
	Sasan Power Limited	-	0.00
	Reliance Infratel Limited	-	1.16
Remuneration paid	Mr. Rakesh Tiwary	1.56	0.45
	Mr. Abhijit Banerjee	0.39	0.34
Sitting Fees	Mr. K Jairaj	0.03	0.01
	Ms. Chitra Bhatnagar	0.00	-

		(₹ in Crores)	
Closing Balance	Name of Related Party	As at 31st March, 2020	As at 31st March, 2019
Balance Payable	Adani Enterprises Limited (excluding banking transactions)	-	44.29
	Adani Power Limited	1.51	0.33
	Adani Township & Real Estate Company	0.05	-
	Mundra Solar Pv Ltd	0.38	-
	Adani Transmission Limited	2.65	-
	Karnavati Aviation Private Limited	-	4.66

## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

		(₹ in Crores)	
Closing Balance	Name of Related Party	As at 31st March, 2020	As at 31st March, 2019
Balance Receivable	Adani Enterprises Limited (excluding banking transactions)	166.12	-
	Adani Power (Mundra ) Limited	-	0.44
	Adani Green Energy Limited	0.16	0.16
	Adani Properties Private Limited	1,620.00	-
	Sunbourne Developers Private Limited	271.00	-
	AEML Infrastructure Limited	3.41	-
	Mundra Solar Pv Ltd	-	0.09
ICD payable	Adani Transmission Limited	-	460.25
Contribution to Employee Benefits Payable	AEML Superannuation Fund	0.68	0.66
Interest accrued but not due on ICD	Adani Transmission Limited	-	20.45
Interest accrued but not due on ICD Given	Adani Properties Private Limited	3.00	-
Subordinate debt payable	Qatar Holding LLC	2,133.75	-
Interest accrued but not due on Sub debt	Qatar Holding LLC	19.24	-
Unsecured Perpetual Instrument	Adani Transmission Limited	-	257.23

### Note:

The above disclosure does not include transaction with/as public utility services viz, electricity, telecommunications etc. in the normal course of business

Key Managerial Personnel are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

## 41 DISCLOSURE UNDER IND AS 19 "EMPLOYEE BENEFITS" :

### 1 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 provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner and the superannuation fund is administered by the trustees of the AEML Superannuation Scheme. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. the Company has no obligation other than the contribution to the fund.

the Company has recognised the following amounts as expense in the financial statements for the year:

		(₹ in Crores)	
Particulars		31 March,2020	31 March,2019
Contribution to Provident Fund		38.35	36.87
Contribution to Employees Superannuation Fund		8.39	8.22
Contribution to Employees Pension Scheme		7.17	7.40
Contribution to Employees State Insurance		0.00	0.00



## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

### 2 Defined Benefit Plan

#### Gratuity

the Company operates a funded gratuity plan in the form of a Trust, governed by Trustees appointed by the Company and administered by Life Insurance corporation. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or Company scheme whichever is beneficial. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

Particulars	(₹ in Crores)	
	Gratuity for the year ended	Gratuity for the year ended
	31-03-2020	31-03-2019
Starting Period	01-04-2019	01-04-2018
Date of Reporting	31-03-2020	31-03-2019
<b>Principal Assumptions in actuarial valuation</b>		
Rate of Discounting	0.07	0.08
Rate of Salary Increase	0.10	0.10
Rate of Employee Turnover	0.01	0.01
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
<b>Change in the Present Value of Defined Benefit Obligation</b>	<b>31 March, 2020</b>	<b>31 March, 2019</b>
Present value of Benefit Obligation at the beginning of the year	596.73	-
Liability Transferred in / Acquired on Business Acquisition	0.37	547.63
Interest Cost	44.99	43.15
Current Service Cost	32.06	30.11
Benefit Paid Directly by the Employer	(48.92)	(23.89)
Benefit Paid From the Fund	(0.99)	-
Actuarial (Gain) / Losses on Obligation- Due to Change in Financial Assumptions	38.12	-
Actuarial (Gain) / Losses on Obligation- Due to Change in Demographic Assumptions	-	-
Actuarial (Gain) / Losses on Obligation-Due to Experience	(17.36)	(0.27)
<b>Present Value of Benefit Obligation at the end of the year</b>	<b>645.00</b>	<b>596.73</b>

Change in the Fair Value of Plan Assets	(₹ in Crores)	
	31 March, 2020	31 March, 2019
Fair Value of Plan Asset at the beginning of the year	455.47	-
Planned Asset Acquired on Business Acquisition	0.00	450.71
Interest Income	34.34	-
Benefit Paid From the Fund	(0.99)	-
Contribution by the Employer	-	5.00
Return on Plan Assets Excluding Interest Income	0.06	(0.24)
<b>Fair Value of Plan Asset at the end of the year</b>	<b>488.88</b>	<b>455.47</b>
<b>Amount Recognised in the Balance Sheet</b>		
Present Value of Benefit Obligation at the end of the year	645.00	596.73
Fair Value of Plan Assets at the end of the year	488.88	455.47
<b>Funded Status (Deficit)</b>	<b>(156.12)</b>	<b>(141.26)</b>
<b>Net (Liability) Recognized in the Balance Sheet</b>	<b>(156.12)</b>	<b>(141.26)</b>
<b>Provisions</b>		
<b>Current</b>	<b>31.34</b>	<b>30.92</b>
<b>Non-Current</b>	<b>124.78</b>	<b>110.34</b>
<b>Expenses Recognized in the Statement of Profit and Loss</b>		
Current Service Cost	32.07	30.11
Net Interest Cost	10.65	43.15

# Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

	(₹ in Crores)	
	31 March, 2020	31 March, 2019
<b>Change in the Fair Value of Plan Assets</b>		
Expenses Recognised	42.72	73.26
<b>Expenses Recognised in Other Comprehensive Income (OCI)</b>		
Actuarial Losses on Obligation for the year	20.74	(0.27)
Return on Plan Assets Excluding Interest Income	(0.06)	0.24
Net Expenses / (Income) for the year recognised in OCI	20.68	(0.03)
<b>Major Categories of plan assets</b>		
Government Securities	0.75	0.68
Debt Instruments	0.21	0.23
Equity Instruments	0.04	0.04
Cash & Cash Equivalents	-	0.05
Total	1.00	1.00
Expected Contribution for next financial year	Not Determinable	Not Determinable
<b>Expected Maturity Analysis of undiscounted defined Benefit Obligation is as follows</b>		
Within one year	38.94	51.68
Between 2 to 5 years	139.47	126.43
Between 6 to 10 years	326.94	291.13
Beyond 10 years	820.99	846.67
The weighted average duration of the defined benefit obligation	11.00	10.00
<b>Sensitivity Analysis</b>		
Projected Benefit Obligation on Current Assumptions	645.00	596.73
<b>Assumptions – Discount Rate</b>		
<b>Sensitivity Level</b>	0.01	0.01
Impact on defined benefit obligation –in % increase	(0.08)	(0.08)
Impact on defined benefit obligation –in ₹ Crore	(53.38)	(47.98)
Impact on defined benefit obligation –in % decrease	0.09	0.09
Impact on defined benefit obligation –in ₹ Crore	61.25	55.01
<b>Assumptions – Future Salary Increase</b>		
<b>Sensitivity Level</b>	0.01	0.01
Impact on defined benefit obligation –in % increase	0.09	0.09
Impact on defined benefit obligation –in ₹ Crore	58.29	52.85
Impact on defined benefit obligation –in % decrease	(0.08)	(0.08)
Impact on defined benefit obligation –in ₹ Crore	(51.94)	(47.15)
<b>Assumptions – Employee Turnover</b>		
<b>Sensitivity Level</b>	0.01	0.01
Impact on defined benefit obligation –in % increase	(0.02)	(0.01)
Impact on defined benefit obligation –in ₹ Crore	(10.73)	(7.87)
Impact on defined benefit obligation –in % decrease	0.02	0.01
Impact on defined benefit obligation –in ₹ Crore	11.88	8.69

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the year) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

### 3 Risk exposure:

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility:

The plan liabilities are calculated using a discount rate set with reference to government bond yield. If plan assets underperform this yield, it will result in deficit. These are subject to interest rate risk. To offset the risk, the plan assets have been deployed in high grade insurer managed funds.

Inflation rate risk:

Higher than expected increase in salary and medical cost will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straight forward and depends upon the combination of salary increase, discount rate and vesting criterion.

### 42 REGULATORY DEFERRAL ACCOUNT

	(₹ in Crores)	
	As at 31 March, 2020	As at 31 March, 2019
<b>Regulatory Deferral Account - Liability</b>		
Regulatory Liabilities	504.33	271.56
<b>Regulatory Deferral Account - Assets</b>		
Regulatory Assets	247.73	1105.59
Net Regulatory Assets/(Liabilities)	(256.60)	834.03

#### Rate Regulated Activities

- 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.
- MERC Multi Year Tariff Regulations, 2015 (MYT Regulations), is applicable for the period beginning from 1 April, 2016 to 31 March, 2020. 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.
- Reconciliation of Regulatory Assets/Liabilities of distribution business as per Rate Regulated Activities is as follows:

	(₹ in Crores)	
Particulars	As at 31 March, 2020	As at 31 March, 2019
A Opening Regulatory Assets (Net)	834.03	0.00
<b>Add:</b>		
B Acquired on Business Combination(Net)	0.00	873.50
C Income recoverable/(reversible) from future tariff / Revenue Gap for the year		
1 For Current Year	(232.77)	157.59
2 For Earlier Year	0.00	764.50
<b>Total a (1 + 2)</b>	<b>(232.77)</b>	<b>922.09</b>
<b>Less:</b>		
D Recovered / (refunded) during the year <sup>^</sup>	857.86	961.56
E Net Movement during the year (C - D)	(1090.63)	(39.47)
F <b>Closing Balance (A - E)</b>	<b>(256.60)</b>	<b>834.03</b>

<sup>^</sup> Includes ₹ 214.86 Crore recoverable on account of final truing up for FY 2017-18 and FY 2018-19

# Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

## 43 FINANCIAL INSTRUMENTS.

### 1 Fair Values

The carrying value of financial instruments by categories as follows :-

Particulars	31 March, 2020		31 March, 2019	
	Book Value	Fair Value	Book Value	Fair Value
<b>Financial Assets</b>				
Investment				
- Mutual Funds - FVTPL	185.07	185.07	43.55	43.55
- Government Securities	-	-	120.92	120.92
Trade Receivables	552.00	552.00	425.70	425.70
Loans Given	1,669.94	1,669.94	49.69	49.69
Cash and Cash Equivalents	122.69	122.69	91.40	91.40
Other Balances with Bank	502.41	502.41	283.47	283.47
Derivative instruments designated in hedge accounting relationship	799.90	799.90	-	-
Other Financial Assets	610.16	610.16	1,154.12	1,154.12
<b>Total Financial Assets</b>	<b>4,442.17</b>	<b>4,442.17</b>	<b>2,168.85</b>	<b>2,168.85</b>
<b>Financial Liabilities</b>				
Borrowings (Including Interest accrued & Current Maturities) - Fixed Rate	9,888.22	8,545.70	537.89	537.89
Borrowings (Including Interest accrued & Current Maturities) - Floating Rate	1,357.07	1,357.07	9,364.12	9,364.12
Lease Liability obligation	104.02	104.02	-	-
Trade Payables	1,558.61	1,558.61	1,193.07	1,193.07
Derivative instruments designated in hedge accounting relationship	106.54	106.54	-	-
Other Financial Liabilities	718.57	718.57	589.60	589.60
<b>Total Financial Liabilities</b>	<b>13,733.03</b>	<b>12,390.51</b>	<b>11,684.68</b>	<b>11,684.68</b>

Above excludes carrying value of investment in subsidiary accounted at cost in accordance with Ind AS 27.

The management assessed that the fair value of cash and cash equivalents, other balances with bank, trade receivables, loans, trade payables, other financial assets and liabilities approximate their carrying amounts 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 the Govt. securities, mutual funds are based on the price quotations near 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 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.

## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

- 2 The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels

### Level 1 :

Inputs are quoted prices (unadjusted) 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.

Particulars	Fair Value Hierarchy as at 31st March.2020				
	Date of Valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Asset measured at Fair Value</b>					
FVTPL financial investments - Mutual Funds	31 March, 2020	-	185.07	-	185.07
<b>Derivative instruments designated in hedge accounting relationship</b>					
Derivative financial assets	31 March, 2020	-	799.90	-	799.90
<b>Total</b>		-	984.97	-	984.97
<b>Liabilities measured at fair values</b>					
<b>Derivative instruments designated in hedge accounting relationship</b>					
Derivative financial Liabilities	31 March, 2020	-	106.54	-	106.54
<b>Liabilities for which fair values are disclosed</b>					
Borrowings (Including Interest accrued & Current Maturities) - Fixed Rate	31 March, 2020	6,186.37	2,359.33	-	8,545.70
Borrowings (Including Interest accrued & Current Maturities) - Floating Rate	31 March, 2020	-	1,357.07	-	1,357.07
<b>Total</b>		6,186.37	3,716.40	-	9,902.77

Particulars	Fair Value Hierarchy as at 31st March.2019				
	Date of Valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Asset measured at Fair Value</b>					
FVTPL financial investments - Mutual Funds	31 March, 2019	-	43.55	-	43.55
<b>Asset for which Fair Value are disclosed</b>					
Amortised Cost financial investments:					
- Government Securities	31 March, 2019	120.92	-	-	120.92
<b>Total</b>		120.92	-	-	164.47



## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

Particulars	Fair Value Hierarchy as at 31st March.2019				Total
	Date of Valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Liabilities for which fair values are disclosed					
Borrowings (Including Interest accrued & Current Maturities) - Fixed Rate	31 March, 2019	-	537.89	-	537.89
Borrowings (Including Interest accrued & Current Maturities) - Floating Rate	31 March, 2019	-	9,364.12	-	9,364.12
Total		-	9,902.01	-	9,902.01

There has been no transfer between level 1 and level 2 during the period

### 3 Capital Management & Gearing Ratio

the Company manages its capital structure in a manner to ensure that it will be able to continue as a going concern while optimising the return to stakeholders through the appropriate debt and equity balance. the Company's capital structure is represented by equity (comprising issued capital, retained earnings, Unsecured Perpetual Instrument and other reserves) and debt. the Company's management reviews the capital structure of the Company on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. the Company's objective is to ensure that the gearing ratio (debt equity ratio) is around 70 : 30

#### Gearing ratio

The gearing ratio at the end of the reporting period was as follows :

	As at	
	31 March, 2020	31 March, 2019
(₹ in Crores)		
Debt	11,245.29	9,902.01
Less : Cash and Cash Equivalents	625.10	374.87
<b>Net debt</b>	10,620.19	9,527.14
Total Capital	4,524.33	4,044.17
<b>Capital &amp; net debt</b>	15,144.52	13,571.31
Net debt to Total Capital plus net debt ratio (%)	70.13%	70.20%

- Debt is defined as Non-current borrowings (including current maturities) Interest accrued and Current borrowings.
- Equity is defined as Equity share capital, Unsecured perpetual Instrument and other equity including reserves and surplus.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no significant breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

### 4 Financial risk management objectives and policies

the Company's principal financial liabilities, other than derivatives, comprise loans and 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, investment including mutual funds, trade and other receivables, and cash and cash equivalents which is derived 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 and Liquidity Risk. the Company's senior management oversees the management of these risks. It manages its exposure

## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

to these risks through the use of derivative financial instruments for hedging transactions. It uses derivative instruments such as Cross Currency Swaps, Full Currency swaps, Interest rate swaps and foreign currency Future Option contracts 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 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 Central Treasury team ensures appropriate financial risk governance framework for the Company through appropriate policies & procedures and 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 is 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. All derivative contracts are executed with counterparties that are creditworthy. The outstanding derivatives are reviewed periodically to ensure that there is no inappropriate concentration of outstanding to any particular counterparty.

### A. 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 currency risk. Financial instruments affected by market risk include loans and borrowings. The sensitivity analysis in interest rate and foreign currency risk sections relate to the position as at 31 March, 2020 and 31 March, 2019.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant as at 31 March, 2020 and 31 March, 2019.

### I. Foreign currency risk

the Company is exposed to foreign currency risks arising from its exposure to the USD. Foreign currency risks arise from future commercial transactions and recognized assets and liabilities, when they are denominated in a currency other than Indian Rupee. Exposures on foreign currency loans are managed through the Company wide hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. the Company's exposure with regards to foreign currency risk is given below.

The following table shows foreign currency exposures in US Dollar on financial instruments at the end of the reporting period

(Refer Note 43 (5))

Particulars	Foreign Currency Exposures		As at 31 March, 2019	
	As at 31 March, 2020 Foreign Currency (In Millions)	₹ Crore	Foreign Currency (In Millions)	₹ Crore
<b>In USD</b>				
(i) Interest accrued but not due	8.26	62.48	0.04	0.30
(ii) Buyers Credit	17.61	133.27	8.23	56.88
(ii) Import Creditors and Acceptances	20.65	156.28	11.86	82.00
(iv) Bond	1,000.00	7,566.50	-	-
(v) Shareholders Affiliated Debts	282.00	2,133.75	-	-
(vi) Term Loans from Banks	70.00	529.66	-	-
<b>Derivatives</b>				
-Call Options	(582.00)	(4,403.70)	-	-
-Cross Currency Swaps	(470.00)	(3,556.26)	-	-
-Coupon Only Swaps	(5.11)	(38.64)	-	-
-Principal Only Swaps	(300.00)	(2,269.95)	-	-
<b>Total</b>	41.42	313.39	20.13	139.18

## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

### (i) Foreign currency sensitivity analysis

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant on the Company's profit before tax and pre-tax equity is as under:

	Effect on profit before tax and consequential impact on Equity			
	As at 31 March, 2020		As at 31 March, 2019	
	Appreciate	Depreciate	Appreciate	Depreciate
Rupee appreciate / (depreciate) by ₹ 1 against USD	4.14	(4.14)	2.01	(2.01)
Rupee appreciate / (depreciate) by ₹ 2 against USD	8.28	(8.28)	4.03	(4.03)
Rupee appreciate / (depreciate) by ₹ 3 against USD	12.43	(12.43)	6.04	(6.04)

Notes: 1) +/- Gain/Loss

### II. Interest rate risk management

the Company is exposed to interest rate risk on short-term and long-term floating rate borrowings and on the refinancing of fixed rate debt. the Company's policy is to maintain a balance of fixed and floating interest rate borrowings and the proportion of fixed and floating rate debt is determined by current market interest rates. The long term borrowings of the Company are denominated in US dollars with a mix of fixed and floating rates of interest. The short term borrowings of the Company are mainly floating rate rupee denominated working capital borrowings.

The USD floating rate debt is linked to US dollar LIBOR and INR Floating rate debt to Bank's base rate. the Company in respect of USD denominated borrowing at Floating rates, has a policy of selectively using interest rate swaps, option contracts and other derivative instruments to manage its exposure to interest rate movements. These exposures are reviewed by appropriate levels of management on a regular basis.

The long term borrowings of the Company are by way of Senior Secured Notes (SSN) and Shareholder's Affiliated Debts and carry fixed rate of interest till maturity. Foreign currency denominated term loans from banks carry a floating rate interest rate linked to LIBOR. The risk of fluctuation floating interest rate is managed through cross currency swaps contracts.

#### (i) Interest rate sensitivity:

The sensitivity analysis below have been determined based on exposure to interest rates on borrowings at the end of the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting date in case of borrowings that have floating rates.

If the interest rates had been 50 basis points higher or lower and all the other variables were held constant, the effect on Interest expense for the respective financial years and consequent effect on Company's profit in that financial year would have been as below:

	(₹ in Crores)			
	As of 31 March, 2020		As of 31 March, 2019	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest expense on loan	7.33	(7.33)	35.02	(35.02)
Effect on profit / (loss) before tax	(7.33)	7.33	(35.02)	35.02

### B. Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. the Company is exposed to credit risk from its operating activities (primarily trade receivables and other financial assets) and from its financing activities, including loans to others, deposits with banks, financial institutions & others, foreign exchange transactions and other financial assets.

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk defined in accordance with this assessment.

## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

Credit risk on cash and bank balances is limited as the Company generally invests in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units and quoted bonds issued by government. Counterparty credit limits are reviewed by the Company's management on a regular basis. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

	As at 31 March, 2019	As at 31 March, 2018
Trade receivables	552.00	425.70
Loans	1,669.94	49.69
Other financial assets	1,410.06	1,154.12
<b>Total</b>	<b>3,632.00</b>	<b>1,629.51</b>

Refer Note 12 for credit risk and other information in respect of trade receivables. Moreover, given the diverse nature of the consumer profile of the Company, trade receivables are spread over a number of customers with no significant concentration of credit risk. No single customer accounted for 10.0% or more of revenue basis in any of the years presented. The history of trade receivables shows a negligible provision for bad and doubtful debts compared to the volume/value of sales recorded. Other receivables as stated above are due from the parties / banks under normal course of the business having sound credit worthiness, and as such the Company believes exposure to credit risk to be minimal.

the Company has not acquired any credit impaired asset.

### C. Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value the Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities the Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents the Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

Contractual Maturities of Financial liabilities	Less than 1 year	1 to 5 years	More than 5 years	Total
<b>As at 31 March, 2020</b>				
Borrowings**	1,115.60	653.25	9,622.32	11,391.17
Trade Payables	1,529.26		29.35	1,558.61
Lease Liabilities	34.34	69.68	-	104.02
Other Financial Liabilities	742.94	82.17	-	825.11
<b>Total</b>	<b>3,422.14</b>	<b>805.10</b>	<b>9,651.67</b>	<b>13,878.91</b>
<b>As at 31 March, 2019</b>				
Borrowings**	2,004.90	2,189.61	5,864.70	10,059.21
Trade Payables	1,171.27		21.80	1,193.07
Lease Liabilities	-		-	-
Other Financial Liabilities	589.60		-	589.60
<b>Total</b>	<b>3,765.77</b>	<b>2,189.61</b>	<b>5,886.50</b>	<b>11,841.88</b>

\*\* 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. 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.

## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

### 5 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 and interest 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 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 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 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 31 March, 2020.

**The fair value of the Company's derivative positions recorded under derivative financial assets and derivative financial liabilities are as follows :-**

Derivative Financials Instruments	As at 31 March, 2020		As at 31 March, 2019	
	Assets	Liabilities	Assets	Liabilities
Current				
Cashflow hedge*				
-Call Options	394.48	106.54	-	-
-Cross Currency Swaps	229.32	-	-	-
-Coupon Only Swaps	38.00	-	-	-
-Principal Only Swaps	138.10	-	-	-
<b>Total</b>	<b>799.90</b>	<b>106.54</b>	<b>-</b>	<b>-</b>

\* Refer statement of profit and loss and statement of changes in equity for the changes in the fair value of cashflow hedges

Derivative Contracts entered into by the Company and outstanding as at Balance Sheet date :



## Notes to Financial Statements for the year ended 31 March, 2020 (Contd.)

To hedge Currency risks and interest related risks, the Company has entered into various derivative Contracts. The category wise break-up of the amount outstanding as at Balance Sheet date is given below :-

Particulars	As at 31 March, 2020			As at 31 March, 2019		
	Foreign Currency (In Millions)	₹ Crore	Purpose	Foreign Currency (In Millions)	₹ Crore	Purpose
<b>In USD</b>						
- Call Options	582.00	4403.70	Hedging of foreign currency borrowing principal & interest liability	-	-	
- Cross Currency Swaps	470.00	3556.26	Hedging of foreign currency borrowing principal & interest liability	-	-	
- Coupon Only Swaps	500.00	3783.25	Hedging of foreign currency borrowing interest liability	-	-	
- Principal Only Swaps	300.00	2269.95	Hedging of foreign currency borrowing principal liability	-	-	
<b>Total</b>	<b>1,852.00</b>	<b>14,013.16</b>		<b>-</b>	<b>-</b>	

**44** The chief operating decision maker evaluates the Company's performance and applies the resources to whole of the Company business viz. "Generation, Transmission and Distribution of Power" as an integrated utility. Hence the Company does not have any reportable segment as per Ind AS- 108 "Operating Segments"

### 45 Significant Events after the Reporting Period

There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

As per our attached report of even date  
**For Deloitte Haskins & Sells LLP**  
 Chartered Accountants  
 ICAI Firm Registration Number : 117366W/W-100018

**Mohammed Bengali**  
 Partner  
 Membership No. 105828

Place : Mumbai  
 Date : 7 May, 2020

For and on behalf of the Board of Directors  
**ADANI ELECTRICITY MUMBAI LIMITED**

**Anil Sardana**  
 Chairman  
 DIN: 00006867

**Rakesh Tiwary**  
 Chief Financial Officer

Place : Ahmedabad  
 Date : 7 May, 2020

**Kandarp Patel**  
 Managing Director & CEO  
 DIN.: 02947643

**Jaladhi Shukla**  
 Company Secretary

# Independent Auditor's Report

To The Members of **Adani Electricity Mumbai Limited**

## Report on the Audit of the Consolidated Financial Statements

### OPINION

We have audited the accompanying consolidated financial statements of **Adani Electricity Mumbai Limited** (formerly known as "Reliance Electric Generation and Supply Limited") ("the Holding Company") and its subsidiary, (the Holding Company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31 March, 2020, 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 management certified financial statements of the subsidiary as explained 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, 2020, 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, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Holding Company's Board of Directors is responsible for the other information. The other

information comprises the information included in the Directors' 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 subsidiary certified by the management, to the extent it relates to these entities and, in doing so, place reliance on the management certified financial statements of the subsidiary 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 subsidiary is traced from their financial statements certified by the management.
- 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 Holding 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 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 Holding 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

## Independent Auditor's Report (Contd.)

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 Holding 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 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 entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been certified by the management, the management remain responsible for the direction, supervision and performance of the audit 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 Holding 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.

### OTHER MATTERS

- (a) We did not audit the financial statements of the subsidiary whose financial statements reflect total

## Independent Auditor's Report (Contd.)

assets of ₹1.01 Crore as at 31 March, 2020, Nil total revenues and net cash outflows amounting to 0.01 Crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and 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 this subsidiary is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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 matters with respect to our reliance on the financial statements certified by the Management.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the management certified separate financial statements:
  - 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 management certified financial statements of the subsidiary company.
  - 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 Holding Company as on 31 March, 2020 taken on record by the Board of Directors of the Company and the certificate received from the statutory auditors of its subsidiary company, none of the directors of the Group companies incorporated

in India is disqualified as on 31 March, 2020 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 Holding company and based on the management certification received of the subsidiary company 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.

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 Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- g) 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 Holding Company, and its subsidiary company incorporated in India.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Mohammed Bengali**

Partner)

Place: Mumbai

(Membership No.105828)

Date: 07 May, 2020

(UDIN: 20105828AAAAV6814)

## Independent Auditor's Report (Contd.)

### 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 31 March, 2020, we have audited the internal financial controls over financial reporting of Adani Electricity Mumbai Limited (formerly known as "Reliance Electric Generation and Supply Limited") (hereinafter referred to as "the Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date.

#### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding company and its subsidiary company, 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 Holding Company and its subsidiary company, 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 management certification on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the subsidiary, which are companies incorporated in India, in terms of it being 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 Holding Company and its subsidiary company, 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



## Independent Auditor's Report (Contd.)

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 certification received from the management as regards the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the subsidiary company referred to in the Other Matters paragraph

below, the Holding Company and its subsidiary company, 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, 2020, 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 the subsidiary company, which is company incorporated in India, is based solely on the management certificate of such company incorporated in India.

Our opinion is not modified in respect of the above matters.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Mohammed Bengali**

Partner)

Place: Mumbai (Membership No.105828)

Date: 07 May, 2020 (UDIN: 20105828AAAAAV6814)

As per our attached report of even date

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

ICAI Firm Registration Number : 117366W/W-100018

**Mohammed Bengali**

Partner

Membership No. 105828

Place : Mumbai

Date : 7 May, 2020

For and on behalf of the Board of Directors

**ADANI ELECTRICITY MUMBAI LIMITED**

**Anil Sardana**

Chairman

DIN: 00006867

**Rakesh Tiwary**

Chief Financial Officer

Place : Ahmedabad

Date : 7 May, 2020

**Kandarp Patel**

Managing Director & CEO

DIN.: 02947643

**Jaladhi Shukla**

Company Secretary

# Consolidated Balance Sheet as at 31 March, 2020

Particulars	Notes	(₹ in Crores)	
		As at 31 March, 2020	As at 31 March, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	5	12,378.06	11,797.77
Capital Work-In-Progress		375.53	239.75
Right-of-Use Assets	5a	157.29	-
Intangible Assets	5b	991.58	985.06
Intangible Assets Under Development		3.28	-
<b>Financial Assets</b>			
(i) Investments	6a	-	120.92
(ii) Loans	7	38.91	41.16
(iii) Other Financial Assets	8	866.10	40.41
Deferred Tax Assets (Net)	9 & 31	-	101.32
Other Non-current Assets	10	285.24	134.87
<b>Total Non-current Assets</b>		<b>15,095.99</b>	<b>13,461.26</b>
<b>Current Assets</b>			
Inventories	11	511.42	335.06
<b>Financial Assets</b>			
(i) Investments	6b	185.07	43.55
(ii) Trade Receivables	12	552.00	425.70
(iii) Cash and Cash Equivalents	13	122.70	91.40
(iv) Bank Balances other than (iii) above	14	502.41	283.47
(v) Loans	7	1,632.04	8.53
(vi) Other Financial Assets	8	543.96	1,113.71
Other Current Assets	10	313.55	103.04
<b>Total Current Assets</b>		<b>4,363.15</b>	<b>2,404.46</b>
<b>Total Assets before Regulatory Deferral Account</b>		<b>19,459.14</b>	<b>15,865.72</b>
<b>Regulatory Deferral Account - Assets</b>	42	<b>247.73</b>	<b>1,105.59</b>
<b>Total Assets</b>		<b>19,706.87</b>	<b>16,971.31</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital	15	4,020.82	3,400.05
Unsecured Perpetual Instrument	16	-	257.23
Other Equity	17	503.51	386.89
<b>Total Equity</b>		<b>4,524.33</b>	<b>4,044.17</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	18	10,150.70	7,902.19
(ii) Trade Payables	19	-	-
(A) total outstanding dues of micro enterprises and small enterprises; and		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		29.35	21.80
(iii) Lease Liability obligation	20	69.68	-
(iv) Other Financial Liabilities	24	82.17	-
Provisions	21	248.24	438.54
Deferred Tax Liabilities (Net)	9 & 31	50.42	-
Other Non Current Liabilities	22	278.06	224.83
<b>Total Non-current Liabilities</b>		<b>10,908.62</b>	<b>8,587.36</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	23	985.31	985.61
(ii) Trade Payables	19	-	-
(A) total outstanding dues of micro enterprises and small enterprises; and		48.41	0.28
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		1,480.85	1,170.99
(iii) Lease Liability obligation	20	34.34	-
(iv) Other Financial Liabilities	24	853.24	1,603.81
Other Current Liabilities	22	284.73	238.24
Provisions	21	58.50	60.21
Current Tax Liabilities	25	24.21	9.08
<b>Total Current Liabilities</b>		<b>3,769.59</b>	<b>4,068.22</b>
<b>Total Liabilities before Regulatory Deferral Account</b>		<b>14,678.21</b>	<b>12,655.58</b>
<b>Regulatory Deferral Account - Liabilities</b>	42	<b>504.33</b>	<b>271.56</b>
<b>Total Equity and Liabilities</b>		<b>19,706.87</b>	<b>16,971.31</b>

See accompanying notes forming part of the financial statements

As per our attached report of even date

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

ICAI Firm Registration Number : 117366W/W-100018

**Mohammed Bengali**

Partner

Membership No. 105828

For and on behalf of the Board of Directors

**ADANI ELECTRICITY MUMBAI LIMITED****Anil Sardana**

Chairman

DIN: 00006867

**Rakesh Tiwary**

Chief Financial Officer

**Kandarp Patel**

Managing Director &amp; CEO

DIN.: 02947643

**Jaladhi Shukla**

Company Secretary

Place : Mumbai

Date : 7 May, 2020

Place : Ahmedabad

Date : 7 May, 2020

# Consolidated Statement of Profit and Loss

for the year ended 31 March, 2020

		(₹ in Crores)	
Particulars	Notes	For the year ended 31 March, 2020	For the year ended 31 March, 2019
<b>INCOME :</b>			
Revenue from Operations	26	7,705.36	7,493.93
Other Income	27	165.02	148.52
<b>Total Income</b>		<b>7,870.38</b>	<b>7,642.45</b>
<b>EXPENSES :</b>			
Cost Of Power Purchased		2,679.13	2,958.41
Cost of Fuel		1,018.23	1,193.56
Transmission Charges		403.16	391.19
Purchases of traded goods		28.95	10.68
Employee Benefit Expense	28	894.15	867.88
Finance Costs	29	1,118.50	1,001.82
Depreciation and Amortisation Expenses	5,5a&5b	510.46	492.71
Other Expenses	30	732.23	714.65
<b>Total expenses</b>		<b>7,384.81</b>	<b>7,630.90</b>
<b>Profit/(Loss) Before Movement in Regulatory Deferral Balance, Exceptional Items and Tax</b>	<b>42</b>	<b>485.57</b>	<b>11.55</b>
Add/(Less): Net Movement in Regulatory Deferral Balance		(232.77)	157.59
<b>Profit/(Loss) Before Exceptional Items and Tax</b>		<b>252.80</b>	<b>169.14</b>
Exceptional items		-	-
<b>Profit/(Loss) Before Tax</b>		<b>252.80</b>	<b>169.14</b>
<b>Tax Expense:</b>	<b>31</b>		
Current Tax		50.84	41.98
Deferred Tax		151.74	65.68
		<b>202.58</b>	<b>107.66</b>
<b>Profit/(Loss) after tax</b>	<b>Total A</b>	<b>50.22</b>	<b>61.48</b>
<b>Other Comprehensive Income / (Expense)</b>			
(a) Items that will not be reclassified to profit or loss			
-Remeasurement of Defined Benefit Plans		(20.68)	0.03
-Income Tax Impact		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		(13.24)	-
<b>Other Comprehensive Income / (Expense)</b>	<b>Total B</b>	<b>(30.31)</b>	<b>0.03</b>
<b>Total Comprehensive Income</b>	<b>Total (A+B)</b>	<b>19.91</b>	<b>61.51</b>
<b>Earnings Per Share (EPS) (in ₹)</b>	<b>32</b>		
<b>(Face Value ₹ 10 Per Share)</b>			
Basic / Diluted earnings per Equity Share before net Movement in Regulatory Deferral Balance		0.62	(0.37)
Basic / Diluted earnings per Equity Share after net Movement in Regulatory Deferral Balance		0.08	0.22

See accompanying notes forms part of the financial statements

As per our attached report of even date  
**For Deloitte Haskins & Sells LLP**  
 Chartered Accountants  
 ICAI Firm Registration Number : 117366W/W-100018

**Mohammed Bengali**  
 Partner  
 Membership No. 105828

Place : Mumbai  
 Date : 7 May, 2020

For and on behalf of the Board of Directors  
**ADANI ELECTRICITY MUMBAI LIMITED**

**Anil Sardana**  
 Chairman  
 DIN: 00006867

**Rakesh Tiwary**  
 Chief Financial Officer

Place : Ahmedabad  
 Date : 7 May, 2020

**Kandarp Patel**  
 Managing Director & CEO  
 DIN.: 02947643

**Jaladhi Shukla**  
 Company Secretary

# Consolidated Statement of changes in equity

## A. EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	No. Shares	Amount
Balance as at 01 April, 2018	50,000	0.05
Issue of shares during the year	3,400,000,000	3,400.00
<b>Balance as at 31 March, 2019</b>	<b>3,400,050,000</b>	<b>3,400.05</b>
Issue of shares during the year	620,773,535	620.77
<b>Balance as at 31 March, 2020</b>	<b>4,020,823,535</b>	<b>4,020.82</b>

## B. UNSECURED PERPETUAL INSTRUMENT - SHAREHOLDER LOAN

(₹ in Crores)

Particulars	Amount
Balance as at 01 April, 2018	-
i) Raised during the year	243.06
ii) Distribution on Unsecured Perpetual Instrument(net)	14.17
iii) Repaid during the year	-
<b>Balance as at 31 March, 2019</b>	<b>257.23</b>
i) Raised during the year	-
ii) Distribution on Unsecured Perpetual Instrument(net)	23.72
iii) Repaid during the year	280.95
<b>Balance as at 31 March 2020</b>	<b>-</b>

## C. OTHER EQUITY

FOR THE PERIOD ENDED 31 MARCH, 2020

(₹ in Crores)

Particulars	Reserves and Surplus				Items of Other Comprehensive Income	Total
	Capital Reserve	Contingency Reserve Fund	Share Premium Account	Retained Earnings	Cashflow Hedge Reserve	
Balance as at 01 April, 2018	-	-	-	(47.54)	-	(47.54)
Acquired on Business Combination	-	157.89	-	-	-	157.89
Arising on Business Combination	230.78	-	-	-	-	230.78
Profit/(Loss) for the year	-	-	-	61.48	-	61.48
Other comprehensive Income / (Expense) for the year (net of tax)	-	-	-	0.03	-	0.03
<b>Total comprehensive Income / (Expense) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61.51</b>	<b>-</b>	<b>61.51</b>
Distribution on Unsecured Perpetual Instrument(net)	-	-	-	(15.75)	-	(15.75)
Transfer to Contingency Reserve	-	18.77	-	(18.77)	-	-
<b>Balance as at 31 March, 2019</b>	<b>230.78</b>	<b>176.66</b>	<b>-</b>	<b>(20.55)</b>	<b>-</b>	<b>386.89</b>
<b>Balance as at 01 April, 2019</b>	<b>230.78</b>	<b>176.66</b>	<b>-</b>	<b>(20.55)</b>	<b>-</b>	<b>386.89</b>
Profit/(Loss) for the year	-	-	-	50.22	-	50.22
Share Premium Amount Received During the year	-	-	120.43	-	-	120.43
Other comprehensive Income / (Expense) for the year (net of tax)	-	-	-	(17.07)	(13.24)	(30.31)
<b>Total comprehensive Income / (Expense) for the year</b>	<b>-</b>	<b>-</b>	<b>120.43</b>	<b>33.15</b>	<b>(13.24)</b>	<b>140.34</b>
Distribution on Unsecured Perpetual Instrument(net)	-	-	-	(23.72)	-	(23.72)
Transfer to Contingency Reserve	-	20.29	-	(20.29)	-	-
<b>Balance as at 31 March, 2020</b>	<b>230.78</b>	<b>196.95</b>	<b>120.43</b>	<b>(31.41)</b>	<b>(13.24)</b>	<b>503.51</b>

As per our attached report of even date

For Deloitte Haskins &amp; Sells LLP

Chartered Accountants

ICAI Firm Registration Number : 117366WW-100018

Mohammed Bengali

Partner

Membership No. 105828

For and on behalf of the Board of Directors

ADANI ELECTRICITY MUMBAI LIMITED

Anil Sardana

Chairman

DIN: 00006867

Rakesh Tiwary

Chief Financial Officer

Kandarp Patel

Managing Director &amp; CEO

DIN.: 02947643

Jaladhi Shukla

Company Secretary

Place : Mumbai

Date : 7 May, 2020

Place : Ahmedabad

Date : 7 May, 2020

# Statement of Consolidated Cash flows

for the year ended 31 March, 2020

Particulars	(₹ in Crores)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
<b>A. Cash flow from operating activities</b>		
Profit / (Loss) before tax	252.80	169.14
Adjustments for:		
Interest Income	(84.19)	(44.41)
Unrealised Foreign Exchange Gain	-	(3.40)
Unrealised Foreign Exchange Gain - Borrowings net of Hedging	(56.59)	-
Amortisation of Consumer Contribution	(8.49)	(7.42)
Gain On Sale / Fair Value Of Current Investments Measured at FVTPL	(15.89)	(2.01)
Gain On Sale / Fair Value Of Current Investments Measured at FVTPL - Contingency Reserve Fund	(10.78)	(2.47)
Finance Costs	1,175.09	1,001.82
Depreciation and Amortisation Expense	510.46	492.71
(Profit)/Loss on sale of Fixed Assets (Net)	4.57	17.28
Provision for Doubtful Debts / Advances / Deposits	32.60	24.58
<b>Operating Profit / (Loss) before working capital changes</b>	<b>1,799.58</b>	<b>1,645.82</b>
Changes in Working Capital:		
Adjustments for (Increase) / Decrease in Assets :		
Trade Receivables	(158.90)	(24.59)
Inventories	(176.36)	(20.48)
Financial Assets - Current / Non Current	587.07	330.45
Other Assets - Current / Non Current	(193.71)	(23.07)
Regulatory Deferral Account - Assets	857.86	39.47
Adjustment for Increase / (Decrease) in Liabilities :		
Trade Payables	256.85	(78.86)
Financial Liabilities - Current / Non Current	70.36	(1,075.83)
Provisions - Current / Non Current	(192.01)	49.03
Other Liabilities - Current / Non Current	88.07	(69.63)
Regulatory Deferral Account - Liabilities	232.77	-
<b>Cash generated from operations</b>	<b>3,171.58</b>	<b>772.31</b>
Tax paid (Net)	(32.10)	(32.90)
<b>Net cash from / (used in) operating activities (A)</b>	<b>3,139.48</b>	<b>739.41</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on PPE (Including Capital Advances)	(1,293.77)	(552.20)
Proceeds from Sale of PPE	2.91	8.68
Consideration Paid towards Business Acquisition	-	(10,850.00)
(Purchase) / Sale of Mutual Funds / Other Investments-Net	2.73	(18.20)
Bank balances not considered as Cash & Cash Equivalents	(263.15)	(281.41)
Loans (given) / repaid	(1,618.25)	-
Interest Received	84.25	39.03
<b>Net cash from / (used in) investing activities (B)</b>	<b>(3,085.29)</b>	<b>(11,654.10)</b>
<b>C. Cash flow from financing activities</b>		
Increase in Service Line Contribution	20.14	21.51
Proceeds from Long-term borrowings	10,469.42	9,279.79
Repayment of Long-term borrowings	(9,758.76)	(1,757.00)
Proceeds from Short-term borrowings	1,248.66	2,055.35
Repayment of Short-term borrowings	(788.71)	(1,100.70)



## Statement of Consolidated Cash flows (Contd.)

for the year ended 31 March, 2020

Particulars	(₹ in Crores)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Proceeds from issue of equity shares	-	3,400.00
Proceeds from Unsecured Perpetual Instrument	-	243.06
Distribution on Unsecured Perpetual Instrument	-	(1.58)
Payment of Lease Liability Obligation	(25.28)	-
Interest on Lease Liability Obligation	(6.89)	-
Interest & Other Borrowing Cost	(1,181.47)	(1,134.48)
<b>Net cash from / (used in) financing activities (C)</b>	<b>(22.89)</b>	<b>11,005.95</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>31.30</b>	<b>91.26</b>
<b>Cash and cash equivalents as at 01 April (Opening Balance)</b>	<b>91.40</b>	<b>0.14</b>
<b>Cash and cash equivalents as at 31 March (Closing Balance)</b>	<b>122.70</b>	<b>91.40</b>
Balances with banks		
- In current accounts	115.20	77.28
- Fixed Deposits	0.95	2.45
Cash On Hand	0.42	2.61
Cheques / Drafts On Hand	6.13	9.06
<b>Total Cash &amp; Cash Equivalents</b>	<b>122.70</b>	<b>91.40</b>

### Note :

Conversion of Unsecured Perpetual Instrument ₹ 280.95 Crore, ICD from Parent Company (including interest accrued) ₹ 460.25 Crore into Equity Shares of the Company have been treated as non cash transactions.

As per our attached report of even date  
**For Deloitte Haskins & Sells LLP**  
 Chartered Accountants  
 ICAI Firm Registration Number : 117366W/W-100018

**Mohammed Bengali**  
 Partner  
 Membership No. 105828

Place : Mumbai  
 Date : 7 May, 2020

For and on behalf of the Board of Directors  
**ADANI ELECTRICITY MUMBAI LIMITED**

**Anil Sardana**  
 Chairman  
 DIN: 00006867

**Rakesh Tiwary**  
 Chief Financial Officer

Place : Ahmedabad  
 Date : 7 May, 2020

**Kandarp Patel**  
 Managing Director & CEO  
 DIN.: 02947643

**Jaladhi Shukla**  
 Company Secretary

# Notes to Consolidated Financial Statements

for the year ended 31 March, 2020

## 1 CORPORATE INFORMATION

"Adani Electricity Mumbai Limited ("AEML") ("The Company") is a public limited company incorporated and domiciled in India having its registered office at Adani House, Nr. Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009, Gujarat, India. It is subsidiary of Adani Transmission Limited (ATL) and ultimate holding entity is S. B. Adani Family Trust (SBAFT). The integrated Mumbai Generation, Transmission and Distribution (GTD) Business caters to ~3.05 million customers, under a license provided to transmit and distribute electricity to consumers in Mumbai in an area of ~400 Sq km in and around suburbs of Mumbai inclusive of areas covered under the Mira Bhayender Municipal Corporation, making it the country's largest private sector integrated power utility, entailing ~1,964 MW of power distribution along with generation facilities (500 MW coal based) and over 567 ckt km of transmission network. The Tariff to be charged to the consumers is regulated by Maharashtra Electricity Regulatory Commission ("MERC")."

During the year the Company has incorporated wholly owned subsidiary Adani Electricity Mumbai Infra Limited ("AEMIL") for the purpose of carrying out works like infrastructure development, transmission line development along with the commissioning of HVDC.

The Company and AEMIL is together referred to as "the Group" in these Consolidated Financial Statements.

Due to outbreak of COVID-19 globally and in India, the Group 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.

These financial statements of the Group for the year ended 31 March, 2020 were authorised for issue by the board of directors on 07 May, 2020.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 STATEMENT OF COMPLIANCE

The 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

The financial statements have been prepared on a historical cost basis except for the following assets and liabilities which have been measured at fair value.

- certain financial assets and liabilities that are measured at fair value;
- defined benefit plans - planned assets measured at fair value;

The financial statements have been prepared in "Indian Rupees" which is also the Group's functional currency and all amounts, are rounded to the nearest Crore with two decimals, (Transactions below 50,000.00 denoted as 0.00), unless otherwise stated.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### 2.3 CURRENT VERSUS NON-CURRENT CLASSIFICATION

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

- Expected to be realized or intended to be sold or consumed in normal operating cycle; or
- Held primarily for the purpose of trading; or
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.
- A liability is current when:
- It is expected to be settled in normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

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.

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

### 2.4 BASIS OF CONSOLIDATION

The Group consolidates all entities which are controlled by it. The consolidated financial statements comprise the financial statements of the Company and its subsidiary. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. The entities are consolidated from the date control commences until the date control ceases.

The consolidated financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealised gain/loss from such transactions are eliminated upon consolidation. These consolidated financial statements are prepared by applying uniform accounting policies in use at the Group. Profit or loss on each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interest having a deficit balance.

Changes in the Group's holding that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's holding and the non-controlling interests are adjusted to reflect the changes in their relative holding. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

The details of subsidiary included in consolidation and its shareholding therein is as under: The reporting date for the subsidiary is 31 March, 2020

Name of Company & Country of Incorporation	Relationship	Shareholding as on 31 March, 2020
Adani Electricity Mumbai Infra Limited, India	Subsidiary	100%

The subsidiary has been incorporated on 03 January, 2020 and the Financial Statements of the subsidiary considered for consolidation are unaudited and certified by the management of the subsidiary

#### Business Combination 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.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfers of interests in entities that are under the common control are accounted at historical costs. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held, over 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

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

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.

### 2.6 1 PROPERTY, PLANT AND EQUIPMENT ("PPE")

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any.

In respect of Property, Plant and Equipment ("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 1 April, 2018, in line with the requirements of the Court Scheme, the Group has accounted for such Assets at their respective fair values as at April 01, 2018 based on valuation done by a Government registered valuer.

Subsequent additions to the assets on or after 1st April, 2018 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 IndAS 23. Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of

the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

### 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.

### DEPRECIATION

Depreciation commences when an asset is ready for its intended use. Freehold land is not depreciated.

### REGULATED ASSETS

Subject to the below, depreciation on property, plant and equipment in respect of Mumbai Generation, Transmission and Distribution business of the Group is covered under Part B of Schedule II of the Companies Act, 2013, and has been provided on the straight line method at the rates and 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.

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 01 April, 2018.

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, Computers & Network and Electrical Installations which has been considered at 5%.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and the effect of any changes in estimate is accounted for on a prospective basis.

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

Estimated useful lives of assets other than assets at DTSP are as follows:-

Type of Asset	Useful lives
Building	60 Years
Plant and Equipment	25 Years
Distribution Line / Transmission Cable	35 Years
Street Light	25 Years
Furniture and Fixtures	10 Years
Office Equipment	5 Years
Computers, Servers & Related Network	3 - 6 Years
Vehicles	8 - 10 Years

### 2 INTANGIBLE ASSETS

Intangible assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

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 1 April, 2018, in line with the requirements of the Court Scheme, the Group has accounted for such Assets at their respective fair values as at April 01, 2018 based on valuation done by professional valuation firm.

Subsequent additions to the assets on or after 1st April, 2018 are accounted for at cost.

#### 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 years

### 3 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.

### 4 IMPAIRMENT OF PPE AND INTANGIBLE ASSETS

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



## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

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.

### 2.7 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 cash management.

### 2.8 CASH FLOW STATEMENT

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.

### 2.9 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 the Group 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 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 measured at fair value through profit or loss are recognised immediately in the statement of profit and loss.

### 2.10 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.

#### 1 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.

#### 2 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.

#### 3 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

All financial assets that do not meet the criteria for amortised cost are measured at FVTPL

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

### 4 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.

### 5 DERECOGNITION

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 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.

### 6 IMPAIRMENT OF FINANCIAL ASSETS

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

### 2.11 FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

#### 1 CLASSIFICATION AS DEBT OR EQUITY

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

#### 2 EQUITY INSTRUMENTS

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

#### 3 FINANCIAL LIABILITIES

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

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### 2.12 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

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

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.

### 2.13 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.

### 2.14 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.

### 2.15 FOREIGN CURRENCIES

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated. Exchange differences arising on foreign currency borrowings are presented in the statement of profit and loss within finance cost. Except for 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.

### 2.15 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, option, swap contracts 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. 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.

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

Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an Unrecognised firm commitment.

Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an Unrecognised firm commitment.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting.

The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

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.

## 2.17 REVENUE RECOGNITION

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services

### 1 Transmission of Power

Revenue from transmission of power is recognised net of cash discount over time for transmission of electricity. The Group as per the prevalent tariff regulations is required to recover its Annual Revenue Requirement ('ARR') comprising of expenditure on account of operations and maintenance expenses, financing costs, taxes and assured return on regulator approved equity with additional incentive for operational efficiencies.

Input method is used to recognize revenue based on the Group's efforts or inputs to the satisfaction of a performance obligation to deliver power

As per tariff regulations, the Group determines ARR and any surplus/shortfall in recovery of the same is accounted as revenue.

### 2 Sale of Power - Distribution

Revenue from sale of power is recognised net of cash discount over time for each unit of electricity delivered at the pre determined rate.

### 3 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.

### 4 Interest on Overdue Receivables / Delay Payment Charges

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. 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 favorable order from regulator / authorities.

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

### 5 Sale of Traded 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.

### 6 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.

### 7 Interest income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 2.18 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

### 2.19 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 statement of profit and loss in the period in which they are incurred. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### 2.19 EMPLOYEE BENEFITS

#### 1 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.

#### 2 Defined benefit plans:

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. 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



## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

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.

### 3 Current and other non-current employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the

related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of 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.

### 4 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.

## 2.21 LEASES

### 1 Under Ind AS 116 Leases:

Effective from 1st April, 2019, the Group adopted Ind AS 116 – Leases and applied the standard to all lease contracts existing as on 1st April, 2019 using the modified retrospective method on the date of initial application i.e. 1st April, 2019. Refer note no 3.2 for details on transition to Ind AS 116 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

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

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.

### 2 Under Ind AS 17 Leases :

#### Assets held under lease

Leases of property, plant and equipment that transfer to the Group substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Group substantially all the risks and rewards of ownership (i.e. operating leases) are not recognized in the Balance Sheet.

### 3 Lease payments

Payments made under operating leases are generally recognised in profit and loss on a straight-line basis over the term of the lease unless such payments are structured to

increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### 2.22 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

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 in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside statement of profit and loss 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. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### 2 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

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

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.

### 2.23 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.

### 2.24 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS.

#### 1 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 the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised 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. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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.

#### 2 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.

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

### 3 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.

### 2.25 DIVIDEND DISTRIBUTION TO EQUITY SHAREHOLDERS OF THE GROUP

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.

### 3.1 STANDARDS ISSUED BUT NOT EFFECTIVE

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 1 April, 2020.

### 3.2 CHANGE IN ACCOUNTING POLICIES AND DISCLOSURES

#### Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases, including Appendix A of Ind AS 17 Operating Leases-Incentives, Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and Appendix C of Ind AS 17, Determining whether an Arrangement contains a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Group is the lessor.

The Group adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1 April 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

The effect of adoption Ind AS 116 as at 1 April 2019 (increase/ (decrease)) is, as follows:

Assets	RS in crores
Right- of- Use assets	84.33
Prepayments- Land	(12.17)
Prepayments- Way Leave rights	(8.41)
<b>Total Assets</b>	<b>63.75</b>
Liabilities	
Lease Liability Obligation	63.75
<b>Total Liabilities</b>	<b>63.75</b>

The Group has lease contracts for various items of plant, machinery and buildings. Before the adoption of Ind AS 116, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Refer to Note 2.20 (2) Leases for the accounting policy prior to 1 April 2019.

Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 2.20 (1) Leases for the accounting policy beginning 1 April 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

- **Leases previously classified as finance leases**  
The Group did not have any finance leases.
- **Leases previously accounted for as operating leases**

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- \* Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- \* Relied on its assessment of whether leases are onerous immediately before the date of initial application
- \* Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- \* Excluded the initial direct costs from the

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

measurement of the right-of-use asset at the date of initial application

- \* Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Assets	₹ in Crore
Operating lease commitments as at 31 March, 2019	88.78
Weighted average incremental borrowing rate as at 1 April, 2019	10.00%
Discounted operating lease commitments as at 1 April 2019	63.75
Lease liabilities as at 1 April 2019	63.75

Adoption of the above standard did not have material financial impact on the Consolidated Financial Statements of the Group.

#### 4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management of the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

Estimation of current tax and deferred tax expense - Note 31

Estimates used for impairment of transmission license - Note 35

Assessment of lease classification in respect of long term power purchase agreement - Note 36 (l) (b)

Judgement to estimate the amount of provision required or to determine required disclosure related to litigation and claims against the Group - Note 37

Estimation of defined benefit obligation - Note 41

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.



# Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

## NOTE 5 : PROPERTY, PLANT AND EQUIPMENT (PPE)

Particulars	Freehold Land	Buildings - Residential	Buildings - Others	Plant and Equipment	Distribution Systems	Street Light	Railway Siding	Jetty	Furniture and Fixtures	Vehicles	Office Equipment & Network	Computers & Network	Electrical Installations	Total
<b>Gross carrying amount</b>														
As at 1st April 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquired on Business Combination as on Apr 01, 2018	2,636.87	100.61	719.57	3,866.40	4,272.43	132.02	6.87	1.26	15.24	13.47	10.93	25.01	16.73	11,817.41
Additions	-	1.61	33.03	147.08	271.50	16.52	-	-	2.53	1.91	3.15	10.68	2.25	490.26
Disposals	-	-	-	27.22	-	-	-	-	-	0.63	-	0.02	0.01	27.88
<b>Closing Gross carrying amount as on 31 March, 2019</b>	<b>2,636.87</b>	<b>102.22</b>	<b>752.60</b>	<b>3,986.26</b>	<b>4,543.93</b>	<b>148.54</b>	<b>6.87</b>	<b>1.26</b>	<b>17.77</b>	<b>14.75</b>	<b>14.08</b>	<b>35.67</b>	<b>18.97</b>	<b>12,279.79</b>
<b>Accumulated depreciation and impairment</b>														
As at 1st April 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	4.13	27.03	226.46	177.56	7.20	0.43	0.08	4.80	3.53	7.96	18.98	5.78	483.94
Eliminated on disposal of assets	-	-	-	1.82	-	-	-	-	-	0.07	-	0.02	0.01	1.92
<b>Closing accumulated depreciation as on 31 March, 2019</b>	<b>-</b>	<b>4.13</b>	<b>27.03</b>	<b>224.64</b>	<b>177.56</b>	<b>7.20</b>	<b>0.43</b>	<b>0.08</b>	<b>4.80</b>	<b>3.46</b>	<b>7.96</b>	<b>18.96</b>	<b>5.77</b>	<b>482.02</b>
<b>Net carrying amount - 31 March, 2019</b>	<b>2,636.87</b>	<b>98.09</b>	<b>725.57</b>	<b>3,761.62</b>	<b>4,366.37</b>	<b>141.34</b>	<b>6.44</b>	<b>1.18</b>	<b>12.97</b>	<b>11.29</b>	<b>6.12</b>	<b>16.71</b>	<b>13.20</b>	<b>11,797.77</b>
<b>Gross carrying amount</b>														
As at 1st April 2019	2,636.87	102.22	752.60	3,986.26	4,543.93	148.54	6.87	1.26	17.77	14.75	14.08	35.67	18.97	12,279.79
Additions	-	1.87	31.43	511.94	437.76	22.93	-	-	1.78	12.81	1.45	38.77	6.10	1,066.84
Disposals	-	-	-	7.62	-	-	-	-	-	1.05	0.19	0.42	0.12	9.40
<b>Closing Gross carrying amount as on 31 March, 2020</b>	<b>2,636.87</b>	<b>104.09</b>	<b>784.03</b>	<b>4,490.58</b>	<b>4,981.69</b>	<b>171.47</b>	<b>6.87</b>	<b>1.26</b>	<b>19.55</b>	<b>26.51</b>	<b>15.34</b>	<b>74.02</b>	<b>24.95</b>	<b>13,337.23</b>
<b>Accumulated depreciation and impairment</b>														
As at 1st April 2019	-	4.13	27.03	224.64	177.56	7.20	0.43	0.08	4.80	3.46	7.96	18.96	5.77	482.02
Depreciation charge for the year	-	4.17	26.71	226.12	187.54	14.06	0.41	0.08	2.57	2.00	2.11	10.83	2.47	479.07
Eliminated on disposal of assets	-	-	-	0.96	-	-	-	-	-	0.28	0.18	0.40	0.10	1.92
<b>Closing accumulated depreciation as on 31 March, 2020</b>	<b>-</b>	<b>8.30</b>	<b>53.74</b>	<b>449.80</b>	<b>365.10</b>	<b>21.26</b>	<b>0.84</b>	<b>0.16</b>	<b>7.37</b>	<b>5.18</b>	<b>9.89</b>	<b>29.39</b>	<b>8.14</b>	<b>959.17</b>
<b>Net carrying amount - 31 March, 2020</b>	<b>2,636.87</b>	<b>95.79</b>	<b>730.29</b>	<b>4,040.78</b>	<b>4,616.59</b>	<b>150.21</b>	<b>6.03</b>	<b>1.10</b>	<b>12.18</b>	<b>21.33</b>	<b>5.45</b>	<b>44.63</b>	<b>16.81</b>	<b>12,378.06</b>

### Notes:

- (i) Refer footnote to Note 18 for security/charges created on property, plant and equipment.
- (ii) The title deeds in respect of land and certain residential properties are either in the erstwhile names of the Company viz: "Bombay Suburban Electric Supply Limited" / "Reliance Infrastructure Limited". The Company is in process of transferring the same in the name of the Group.

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

### NOTE 5A: RIGHT OF USE

(₹ in Crores)

Particulars	Right of Use			Total
	Leasehold Land	Building / Others	Way Leave Rights	
<b>Gross carrying amount</b>				
As at 1st April 2019	-	-	-	-
On transition to Ind-AS 116	12.17	63.75	8.41	84.33
Additions	1.58	90.67	31.75	124.00
Disposal / Reassessment of Lease	-	25.12	-	25.12
<b>Closing Gross carrying amount as on 31 March, 2020</b>	<b>13.75</b>	<b>129.30</b>	<b>40.16</b>	<b>183.21</b>
<b>Accumulated amortisation &amp; Impairment</b>				
As at 1st April 2019	-	-	-	-
Amortisation charge of the year	0.32	23.80	1.80	25.92
Eliminated on disposal of assets	-	-	-	-
Closing accumulated amortisation as on 31 March, 2020	0.32	23.80	1.80	25.92
<b>Net carrying amount - 31 March, 2020</b>	<b>13.43</b>	<b>105.50</b>	<b>38.36</b>	<b>157.29</b>

### NOTE 5B: INTANGIBLE ASSETS

(₹ in Crores)

Particulars	Computer Software	Transmission License	Total
<b>Gross carrying amount</b>			
As at 01 April 2018	-	-	-
Acquired on Business Combination as on 01 April, 2018	11.35	981.62	992.97
Additions	0.86	-	0.86
Disposal	-	-	-
<b>Closing Gross carrying amount as on 31 March, 2019</b>	<b>12.21</b>	<b>981.62</b>	<b>993.83</b>
<b>Accumulated amortisation &amp; Impairment</b>			
As at 01 April, 2018	-	-	-
Amortisation charge for the year	8.77	-	8.77
Eliminated on disposal of assets	-	-	-
<b>Closing accumulated amortisation as on 31 March, 2019</b>	<b>8.77</b>	<b>-</b>	<b>8.77</b>
<b>Net carrying amount - 31 March, 2019</b>	<b>3.44</b>	<b>981.62</b>	<b>985.06</b>
<b>Gross carrying amount</b>			
As at 01 April 2019	12.21	981.62	993.83
Additions	11.99	-	11.99
Disposal	-	-	-
<b>Closing Gross carrying amount as on 31 March, 2020</b>	<b>24.20</b>	<b>981.62</b>	<b>1,005.82</b>
<b>Accumulated amortisation &amp; Impairment</b>			
As at 01 April 2019	8.77	-	8.77
Amortisation charge for the year	5.47	-	5.47
Eliminated on disposal of assets	-	-	-
<b>Closing accumulated amortisation as on 31 March, 2020</b>	<b>14.24</b>	<b>-</b>	<b>14.24</b>
<b>Net carrying amount - 31 March, 2020</b>	<b>9.96</b>	<b>981.62</b>	<b>991.58</b>

#### Notes:

- The above Intangible Assets are other than internally generated Intangible Assets.
- Transmission License was acquired as part of the business acquisition as described in Note 34. The License is valid for 25 years from 16th August 2011 to 15th August 2036. The license can be further extended at minimal cost,

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

considering similar extensions have happened in the past. Based on an analysis of all of the relevant factors, the license is considered by the Group 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 Group.

- (iii) The title deeds in respect of certain lease hold land properties are either in the erstwhile names of the Company viz: "Bombay Suburban Electric Supply Limited" / "Reliance Infrastructure Limited". The Group is in process of transferring the same in the name of the Group.
- (iv) Transmission License is pledged as security with the Lenders against borrowings.

Depreciation / Amortisation	(₹ in Crores)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Depreciation on Tangible Assets	479.07	483.94
Amortisation of Intangible Assets	5.47	8.77
Amortisation of Right of Use	25.92	-
<b>Total</b>	<b>510.46</b>	<b>492.71</b>

### 6 INVESTMENTS

	Face Value of ₹	No of Securities / Shares	(₹ in Crores)	
			As at 31 March, 2020	As at 31 March, 2019
<b>6a Non-current investments</b>				
Investment in Government Securities at amortised cost				
Contingency Reserve Investments (Quoted)				
8.12% Central Government of India - 2020	100	7,500,000	-	76.89
8.27% Central Government of India - 2020	100	1,500,000	-	15.39
7.68% Central Government of India - 2023	100	1,500,000	-	15.34
7.68% Central Government of India - 2023	100	1,300,000	-	13.30
<b>Total</b>			-	<b>120.92</b>
Aggregate Market Value of Quoted Investments			-	120.42
Aggregate Carrying Value of Quoted Investments			-	120.92
Aggregate Carrying Value of Unquoted Investments			-	-
Aggregate amount of impairment in the value of investments			-	-

	Face Value of ₹ unless otherwise specified	No of Units	(₹ in Crores)	
			As at 31 March, 2020	As at 31 March, 2019
<b>6b Current investments</b>				
Investment in Mutual Funds units at FVTPL (Unquoted)				
Contingency Reserve Investments				
SBI Liquid Fund Direct Growth	1,000.00	5,95,254 (1,48,706)	185.07	43.55
			185.07	43.55
Aggregate Carrying Value of Unquoted Investments			185.07	43.55

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

### 7 LOANS - AT AMORTISED COST

(₹ in Crores)

	Non-Current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Housing loans to employee against hypothecation of the property (Secured, considered good)	31.37	35.79	4.82	4.29
Inter Corporate Deposit given (Unsecured, considered good)			1624.01	-
Loans to employees (Unsecured, considered good)	7.54	5.37	3.21	4.24
	<b>38.91</b>	<b>41.16</b>	<b>1,632.04</b>	<b>8.53</b>

### 8 OTHER FINANCIAL ASSETS - AT AMORTISED COST

(₹ in Crores)

	Non-Current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
(Unsecured, considered good unless otherwise stated)				
Security Deposits - Unsecured				
Considered Good	28.64	18.99	-	-
Considered doubtful	1.05	1.05	-	-
	29.69	20.04	-	-
Less : Provision For Doubtful Deposits	(1.05)	(1.05)	-	-
<b>Total</b>	<b>28.64</b>	<b>18.99</b>	<b>-</b>	<b>-</b>
*Fixed Deposit with Banks	59.75	16.64	-	-
Other Financial Assets	-	-	2.37	503.26 **
Derivative instruments designated in hedge accounting relationship	777.71	-	22.19	-
Unbilled Revenue	-	-	519.40	610.45
Regulatory Assets other than Distribution	-	4.78	-	-
	<b>866.10</b>	<b>40.41</b>	<b>543.96</b>	<b>1,113.71</b>

#### Note :

\* Represents margin money with banks for guarantees issued.

\*\* In respect of the standby dispute with The Tata Power Company Limited (TPCL), Supreme Court vide its order dated 2 May, 2019 has dismissed the appeals filed by RINFRA (substituted with AEML subsequently) /TPCL against the Appellate Tribunal of Electricity ("ATE") order dated 20 December, 2006. Accordingly the ATE order has reached finality. Based on the ATE order and its interpretation thereof AEML has booked a sum of ₹ 503.26 Crore (including interest) as amount recoverable from TPCL as at 31 March, 2019 and subject to TPCL confirmation. In terms of the Share Purchase Agreement entered into by the Company, ATL and RINFRA, the amount recoverable from TPCL is payable to RINFRA on receipt of the same from TPCL.

### 9 DEFERRED TAX ASSETS / LIABILITIES (NET)

(₹ in Crores)

	As at 31 March, 2020	As at 31 March, 2019
Deferred Tax Assets	764.89	517.67
Deferred Tax Liabilities	815.31	416.35
Net Deferred Tax Assets / Liabilities	50.42	101.32

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

### 10 OTHER ASSETS

(Unsecured, Considered good)

	Non-Current		Current	
	As at	As at	As at	As at
	31 March, 2020	31 March, 2019	31 March, 2020	31 March, 2019
Advance to Suppliers	-	-	287.94	79.43
Balances with Government authorities	-	-	3.79	0.85
Unamortized Premium for Lease hold Land	-	12.01	-	0.16
Prepaid Expenses	2.91	7.70	13.15	10.20
Capital advances	282.33	115.16	-	-
Advance to Employees	-	-	8.67	12.40
	<b>285.24</b>	<b>134.87</b>	<b>313.55</b>	<b>103.04</b>

### 11 INVENTORIES

(Stated at lower of Cost and Net Realisable Value)

	As at	As at
	31 March, 2020	31 March, 2019
Fuel	332.83	178.30
Fuel - In Transit	87.19	50.72
Stores & spares	91.40	106.04
	<b>511.42</b>	<b>335.06</b>

Above inventories are pledged as security with the Lenders against borrowings.

### 12 TRADE RECEIVABLES

	As at	As at
	31 March, 2020	31 March, 2019
Unsecured, considered good	552.00	425.70
Credit Impaired	64.70	27.04
	<b>616.70</b>	<b>452.74</b>
Less : Provision for doubtful Trade receivables	(64.70)	(27.04)
	<b>552.00</b>	<b>425.70</b>

#### Note :

- The Group holds security deposit in respect of trade receivables - Refer Note No 24
- Above trade receivables are pledged as security with the Lenders against borrowings.
- As at 31 March, 2020 - ₹ 59.70 crore is due from Municipal Corporation of Greater Mumbai which represents Group's large customer who owes more than 5% of the total balance of trade receivables.
- The average credit period for the Group's receivables from its transmission and distribution (including street light maintenance ) 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
- In case of transmission business, regulator approved tariff is receivable from long-term transmission customers (LTTCS) and Discoms that are highly rated companies or government parties. Counterparty credit risk with respect to these receivables is very minimal.
- The Group considers for impairment its receivables from customers in its Mumbai distribution business. The risk of recovery in these businesses is reduced to the extent of security deposits already collected and held as collaterals. 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.



## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

### 12.1 TRADE RECEIVABLES

Age of receivables

	(₹ in Crores)	
	As at 31 March, 2020	As at 31 March, 2019
Within the Credit Period	299.65	237.05
1-90 days past due	188.57	141.85
91-182 days past due	34.38	23.24
More than 182 days past due	94.10	50.60
	<b>616.70</b>	<b>452.74</b>

### 12.2 MOVEMENT IN PROVISION FOR DOUBT IN TRADE RECEIVABLES

	(₹ in Crores)	
	As at 31 March, 2020	As at 31 March, 2019
Opening Balance	27.04	-
Movement in expected credit allowance on trade receivable (Net)	37.66	27.04
Closing Balance	<b>64.70</b>	<b>27.04</b>

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.

### 13 CASH AND CASH EQUIVALENTS - AT AMORTISED COST

	(₹ in Crores)	
	As at 31 March, 2020	As at 31 March, 2019
Balances with banks		
- In current accounts	115.20	77.28
- Fixed Deposits	0.95	2.45
Cash On Hand	0.42	2.61
Cheques / Drafts On Hand	6.13	9.06
<b>Total Cash &amp; Cash Equivalents as per Statement of Cash Flows</b>	<b>122.70</b>	<b>91.40</b>

### RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

	(₹ in Crores)				
Particulars	As at 1st April, 2019	Cash flows Proceeds	Repayment	Non-cash Transaction	As at 31st March, 2020
Non-current Borrowings (including Current Maturities of Non-current Borrowings)	8,869.29	10,469.42	(9,758.76)	604.08	10,184.03
Current Borrowings	985.61	1,248.66	(788.71)	(460.25)	985.31
Unsecured Perpetual Instrument	257.23	-	-	(257.23)	-
<b>Total</b>	<b>10,112.13</b>	<b>11,718.08</b>	<b>(10,547.47)</b>	<b>(113.40)</b>	<b>11,169.34</b>

### RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

	(₹ in Crores)				
Particulars	As at 1st April, 2018	Cash flows Proceeds	Repayment	Non-cash Transaction	As at 31st March, 2019
Non-current Borrowings (including Current Maturities of Non-current Borrowings)	1,503.70	9,122.59	(1,757.00)	-	8,869.29
Current Borrowings	30.96	2,055.35	(1,100.70)	-	985.61
Unsecured Perpetual Instrument	-	243.06	(1.58)	15.75	257.23
<b>Total</b>	<b>1,534.66</b>	<b>11,421.00</b>	<b>(2,859.28)</b>	<b>15.75</b>	<b>10,112.13</b>

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

### 14 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS - AT AMORTISED COST

	(₹ in Crores)	
	As at 31 March, 2020	As at 31 March, 2019
*** Bank Deposits with Original Maturity of more than 3 months but less than 12 months (Towards Debt Service Reserve Account)	502.41	283.47
	<b>502.41</b>	<b>283.47</b>

\*\*\* Represents deposits placed towards Margin Money and Debt Service Reserve Account.

### 15 SHARE CAPITAL

	(₹ in Crores)	
	As at 31 March, 2020	As at 31 March, 2019
<b>Authorised Share Capital</b>		
5,00,00,00,000 (5,00,00,00,000) equity shares of 10 each.	5,000.00	5,000.00
	<b>5,000.00</b>	<b>5,000.00</b>
<b>Issued, Subscribed and Paid-up Shares Capital</b>		
4,92,08,23,535 (3,40,05,00,000) fully paid up equity shares of 10 each.	4,020.82	3,400.05
	<b>4,020.82</b>	<b>3,400.05</b>

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

	(₹ in Crores)	
	As at 31 March, 2020	As at 31 March, 2019
Equity Shares	No. Shares	No. Shares
At the beginning of the Year	3,400,050,000	50,000
Issued during the year #	62,07,73,535	3,40,00,00,000
Outstanding at the end of the year	4,02,08,23,535	3,40,05,00,000

# During the year ended 31 March, 2020 62,07,73,535 numbers Equity Shares of Rs 10 each at a premium of Rs 1.94 per share, have been issued through Preferential allotment to Parent Company on conversion of intercorporate deposit (including interest accrued) ₹ 460.25 Crore and unsecured perpetual Instrument.

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

Equity shares of ₹ 10 each fully paid	As at 31 March, 2020		As at 31st March, 2019	
	No. Shares	% held	No. Shares	% held
Adani Transmission Limited and its nominees ##	3,011,596,821	74.90%	3,400,050,000	100.00%
Qatar Holding LLC	1,009,226,714	25.10%	-	-
	<b>4,020,823,535</b>	<b>100.00%</b>	<b>3,400,050,000</b>	<b>100.00%</b>
## Shares Pledged				
No. of equity shares pledged to Lenders by Parent Company		1,734,025,500		1,734,025,500

In terms of Shareholders Agreement entered into between the Company, Adani Transmission Limited ("ATL") and Qatar Holding (QH), a subsidiary of Qatar Investment Authority ("QIA"), QH has acquired from ATL 25.1% stake in the Company and has provided Shareholders Affiliated Debt of USD 282 million to the Company.

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

In terms of the agreement entered into between the Company, Parent Company and lenders, the 100% of the shares of the Company are required to be pledged in favor of the lenders, as at the reporting date the Company / Shareholders are in the process of creating the pledge.

### 16 UNSECURED PERPETUAL INSTRUMENT

	(₹ in Crores)	
	As at 31 March, 2020	As at 31 March, 2019
Opening Balance	257.23	-
Add : Availed during the year	-	243.06
Add : Distribution on Unsecured Perpetual Instrument(net)	23.72	14.17
Less : Converted into Equity Shares during the year	280.95	-
Closing Balance	-	257.23

During the previous year, the Company raised ₹ 243.06 Crore from the Parent Company, through issue of Unsecured Perpetual Instrument (the "Instrument"). The Instrument is perpetual in nature with no maturity date and is repayable only at the option of the Company. The distribution on the Instrument is at 11.00% with a reset provision after a period of every 5 (five) years. As the Instrument is perpetual in nature and ranked senior only to the Share Capital of the Company and the Company does not have any redemption obligation, the Instrument is considered to be in the nature of equity. During the year, the Company has converted the Unsecured Perpetual Instrument into Equity Shares at a premium of ₹ 1.94 per share.

### 17 OTHER EQUITY

	(₹ in Crores)	
	As at 31 March, 2020	As at 31 March, 2019
<b>a. Capital Reserve</b>		
Opening Balance	230.78	-
Add : On Business Combination	-	230.78
Closing Balance	230.78	230.78

Capital Reserve represents the gain arising on accounting of business combination, wherein on the acquisition-date the net amounts of the identifiable assets acquired and the liabilities assumed exceeded the consideration amount paid.

	(₹ in Crores)	
	As at 31 March, 2020	As at 31 March, 2019
<b>b. Effective portion of cashflow Hedge</b>		
Opening Balance	-	-
Add : Effective portion of cash flow hedge	(13.24)	-
Closing Balance	(13.24)	-

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.

<b>c. Contingency Reserve Fund</b>		
Opening Balance	176.66	-
Acquired on Business Combination	-	157.89
Transfer from Retained Earnings	20.29	18.77
Closing Balance	196.95	176.66

As per the provisions of MERC MYT Regulations read with Tariff orders passed by MERC, the Company 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 31 March, 2020 (Contd)

	(₹ in Crores)	
	As at 31 March, 2020	As at 31 March, 2019
<b>d. Securities Premium</b>		
Opening Balance	-	-
Add : Additions during the year	120.43	-
Closing Balance	<b>120.43</b>	-

During the year ended 31 March, 2020 62,07,73,535 numbers Equity Shares of Rs 10 each at a premium of Rs 1.94 per share, have been issued through Preferential allotment to Parent Company on conversion of intercorporate deposit (including interest accrued) Rs 460.25 Crore and unsecured perpetual Instrument.

Securities Premium Reserve is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

<b>e. Retained Earnings</b>		
Opening Balance	(20.55)	(47.54)
Add : Profit / (Loss) for the year	50.22	61.48
Other Comprehensive Income arising from remeasurement of Defined Benefit Plans(net of tax)	(17.07)	0.03
Transfer to Contingency Reserve Fund	(20.29)	(18.77)
Interest accrued on Unsecured Perpetual Borrowing	(23.72)	(15.75)
Closing Balance	(31.41)	(20.55)
Retained Earnings are the profits of the Company earned till date net of appropriations		
<b>Total</b>	<b>503.51</b>	<b>386.89</b>

### 18 BORROWINGS

(At Amortised Cost)

	(₹ in Crores)			
	Non-current \$\$\$		Current*	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
<b>Secured</b>				
Rupee Term Loans from Banks - 8.50%	66.67	7,902.19	33.33	967.10
External Commercial Borrowings in Foreign Currency				
Bond - 3.949%	7,488.22			
Shareholders Affiliated Debts - 6.3645%	2,095.22			
Term Loans from Banks - 3.9466%	500.59			
<b>Total</b>	<b>10,150.70</b>	<b>7,902.19</b>	<b>33.33</b>	<b>967.10</b>

\* Amount disclosed under the head "Other current financial liabilities" (Refer note 24)

\$\$\$ Includes processing fees netted of ₹ 145.88 Crore (31 March 2019 - ₹157.20 Crore)

### SECURITY AND REPAYMENT TERMS

#### NON-CURRENT BORROWINGS

#### I External Commercial Borrowings in Foreign Currency - Bond & Term Loan from Banks (including Rupee Term loans from Banks)

##### Security Package

- a first ranking mortgage of certain specific immovable properties of the Borrower.
- a negative lien over other immovable properties of the Borrower, excluding the Identified Immovable Properties
- a first charge by way of hypothecation of all the movable assets of the Project, both present and future;

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

- d a first pari-passu charge on all book debts, operating cash flows, receivables (excluding Past Period Regulatory Assets; post distribution cash flows and debenture liquidity reserve), commissions or revenues whatsoever arising out of the Project, both present and future;
- e a first pari-passu charge on the Accounts under the Project Accounts Deed (excluding the Excluded Accounts) and amounts lying to the credit of such Accounts, both present and future;
- f a first pari-passu charge/ assignment in relation to the MERC Licenses of the Project, subject to approval from MERC;
- g a pledge over 100% of the entire paid up equity and preference share capital of the Borrower;

### Stipulated Security Creation Timelines

As at the reporting date, the Company is in the process of creation of security in favor of the lenders.

### Ranking of Security

The Security Interest to be created on the Security as aforesaid shall rank pari passu inter se the Senior Secured Creditors.

## II External Commercial Borrowings in Foreign Currency - 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

## III Repayment Terms

- i Bond is repayable by way of bullet payment in February 2030 with an obligation to prepay the debt on occurrence of certain events. The Company can voluntarily prepay the Bond on payment of premium.
- ii 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.
- iii Term Loan from Banks are repayable by way of bullet payment in March 2023 with an obligation to prepay the debt on occurrence of certain events. The Group can voluntarily prepay the Term Loan either in full or part.
- iv Rupee Term Loans from Banks are repayable by way of three equal annual instalments of ₹ 33.33 Crore starting from March 2021

## IV Term loan from Bank (s) is secured by way (in respect of loans outstanding as at 31 March, 2019)

₹ 8169.29 Crs (includes current maturities of ₹ 267.10 Crs and processing fees netted of ₹157.18 Crs) (rate of interest @ 9.05% reset on yearly basis) from Banks is secured by way of :-

- a First charge by way of Mortgage of 33 Immovable Properties of the Company
- b First pari-passu charge by way of hypothecation over the movable assets, both present and future of the Company.
- c First charge by way of assignment of all documents, permits, approvals, rights, titles, interest etc pertaining to the business of the Company by way of Hypothecation Deed / Indenture of Mortgage, both present and future.
- d First pari-passu charge on all book debts, operating cash flows, receivables (excluding Regulatory Assets and the bank accounts where such Regulatory Assets are deposited), commissions or revenues whatsoever arising both present & future of the Company.
- e First pari-passu charge on all the bank accounts including the Trust & Retention account (excluding the Escrow bank account wherein the Regulatory Assets recovered are deposited).
- f First charge by way of assignment of transmission and distribution license of the Company.
- g Pledge over 51% of the entire paid up share capital held by the Parent Company; and
- h Negative Lien Undertaking in respect of the 90 free hold and 115 leasehold immoveable properties, including future immovable properties.

Security as stipulated above shall be created in favor of the Security Trustee for the benefit of lenders.



## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

The Future annual repayment obligations on principal amount for the above term loan borrowings are as under:-

Particulars	Installment	Total
4 Installments during FY 2019-20	2.01	272.18
4 Installments during FY 2020-21	92.59	370.36
4 Installments during FY 2021-22	103.22	412.86
4 Installments during FY 2023-24	110.14	428.89
4 Installments during FY 2024-25	116.88	467.50
4 Installments during FY 2025-26	127.50	510.00
4 Installments during FY 2026-27	138.13	552.50
4 Installments during FY 2027-28	148.75	595.00
4 Installments during FY 2028-29	159.38	637.50
4 Installments during FY 2029-30	170.00	680.00
4 Installments during FY 2030-31	180.63	722.50
4 Installments during FY 2031-32	191.25	765.00
4 Installments during FY 2032-33	191.25	765.00
4 Installments during FY 2033-34	201.88	807.50
2 Installments during FY 2034-35	170.00	339.70
<b>Total (gross)</b>		<b>8,326.49</b>
Less : Impact of recognition of borrowings at amortised cost using effective interest method		157.20
<b>Total (net)</b>		<b>8,169.29</b>

V ₹ 700 Crs (rate of interest in the range of 9.20% to 9.75% reset on monthly basis) (including current maturities of ₹ 700 Crs) from Banks against Regulatory Assets to be recovered, is secured by way of (in respect of Previous Years) :-

- First ranking pari-passu charge on identified Approved Regulatory Asset / Revenue Gap as approved by Maharashtra State Electricity Regulatory Commission (MERC) for FY 2019-20 as per MYT order dated September 12, 2018.
- First ranking pari-passu charge on Collection accounts opened with designated Banks.

### 19 TRADE PAYABLES

		(₹ in Crores)			
		Non-Current		Current	
		As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
### (A)	total outstanding dues of micro enterprises and small enterprises; and	-	-	48.41	0.28
(B)	total outstanding dues of creditors other than micro enterprises and small enterprises	29.35	21.80	1,480.85	1,170.99
		<b>29.35</b>	<b>21.80</b>	<b>1,529.26</b>	<b>1,171.27</b>

### Includes ₹ 38.80 Crore Payable towards purchase of PPE (31 March, 2019 Nil)

This information as required to be disclosed under Micro and Small Enterprises, to whom the Group owes dues (including interest on outstanding dues), which are outstanding as at the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the auditors.

**Notes to Consolidated Financial Statements** for the year ended 31 March, 2020 (Contd)

(₹ in Crores)		
	As at 31 March, 2020	As at 31 March, 2019
(a) the principal amount remaining unpaid to any supplier at the end of each accounting year	47.87	0.28
(b) Interest due on principal amount remaining unpaid to any supplier at the end of each accounting year	0.54	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;	0.54	0.18
(e) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.54	0.18
(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.	0.54	0.18

**20 LEASE LIABILITY OBLIGATION**

(₹ in Crores)				
	Non-Current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Lease Obligation	69.68	-	34.34	-
	<b>69.68</b>	<b>-</b>	<b>34.34</b>	<b>-</b>

**21 PROVISIONS**

(₹ in Crores)				
	Non-Current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Provision for Gratuity	124.78	110.34	31.34	30.91
Provision for Compensated absences	104.11	328.20	24.51	29.30
Provision for Other Employment Benefits	19.35	-	2.65	-
	<b>248.24</b>	<b>438.54</b>	<b>58.50</b>	<b>60.21</b>

**22 OTHER CURRENT LIABILITIES**

(₹ in Crores)				
	Non-Current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Deferred Revenue - Service Line Contributions from Consumers	226.94	224.83	9.54	-
Statutory dues payable	-	-	196.99	170.38
Advances From Customer	51.12	-	75.85	65.26
Other Payables	-	-	2.35	2.60
	<b>278.06</b>	<b>224.83</b>	<b>284.73</b>	<b>238.24</b>

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

### 23 BORROWINGS

(At Amortised Cost)

	(₹ in Crores)	
	As at 31 March, 2020	As at 31 March, 2019
<b>Secured loans from banks</b>		
Short Term Loan against Regulatory Assets	-	78.99
Buyers credit	133.27	56.88
Working capital short term loan	840.00	115.60
Working capital loans repayable on demand	-	273.89
<b>Unsecured loans</b>		
Inter Corporate Deposit from Parent Company	1.00	460.25
Other Short term loan from banks	11.04	-
	<b>985.31</b>	<b>985.61</b>

#### Security and Rate of Interest

- For Security of Short Term Loan, Buyers Credit and Working capital loans - Please Refer No 18 (I) & 18 (IV)
- The rate of interest for Secured / Unsecured loans from banks ranges from 2.13 % to 9.20 % and rate of interest on Unsecured loans from Parent Company was 11.00%.

### 24 OTHER FINANCIAL LIABILITIES

(At Amortised Cost)

	(₹ in Crores)			
	Non-Current		Current	
	As at 31 March, 2020	As at 31 March, 2019	As at 31 March, 2020	As at 31 March, 2019
Current maturities of long-term borrowings	-	-	33.33	967.10
Interest accrued but not due on borrowings	-	-	76.97	47.11
Payable towards purchase of PPE	-	-	151.49	92.88
Security Deposit from Consumers	-	-	469.72	431.87
Regulatory Liabilities other than Distribution	-	-	28.50	-
Security Deposit from Customers / Vendors	-	-	9.07	3.98
Other Financial Liabilities	-	-	59.79	60.87
Derivative Instruments designated in hedge accounting relationship	82.17	-	24.37	-
	<b>82.17</b>	<b>-</b>	<b>853.24</b>	<b>1,603.81</b>

### 25 CURRENT TAX LIABILITIES

	(₹ in Crores)	
	As at 31 March, 2020	As at 31 March, 2019
Current Tax Liabilities	24.21	9.08
	<b>24.21</b>	<b>9.08</b>

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

### 26 REVENUE FROM OPERATIONS

	(₹ in Crores)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
<b>a) Income from Sale of Power and Transmission Charges</b>		
Income from Sale of Power and Transmission Charges (Net)	7,552.32	7,325.79
(Net of ₹ 170.80 crores in respect of Tax recovered on certain Regulatory Assets)		
(Less)/Add: Income to be adjusted in future tariff determination (Net)	(31.02)	13.73
<b>Sub Total (a) - Refer Note 38</b>	<b>7,521.30</b>	<b>7,339.52</b>
<b>b) Other Operating Income</b>		
Insurance Claim Received	1.85	2.00
Income in respect of Services rendered	7.48	6.88
Sale of Coal Rejects / Fly Ash	21.15	9.89
Street Light Maintenance Charges	105.24	107.56
Amortisation of Service Line Contribution	8.49	7.42
Miscellaneous Revenue	10.84	10.93
<b>Sub Total (b)</b>	<b>155.05</b>	<b>144.68</b>
<b>c) Sale of Traded Goods</b>		
Sale of Traded Goods	29.01	9.73
	29.01	9.73
<b>Total</b>	<b>7,705.36</b>	<b>7,493.93</b>

#### Details of Revenue from Contract with Customers

	(₹ in Crores)	
Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Total Revenue from Contract with Customers	7,549.93	7,356.29
Street Light Maintenance Charges	105.24	107.56
Sale of Traded Goods	29.01	9.73
Add: Cash Discount/Rebates etc	37.06	29.04
<b>Total Revenue as per Contracted Price</b>	<b>7,721.24</b>	<b>7,502.62</b>

#### Transaction Price - Remaining Performance Obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Group expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date.

There are no aggregate value of performance obligations that are completely or partially unsatisfied as of 31 March, 2020, other than those meeting the exclusion criteria mentioned above.

Revenue is disaggregated by type and nature of product or services.

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

### Contract Balances

	For the year ended 31 March, 2020	(₹ in Crores) For the year ended 31 March, 2019
<b>Contract Assets</b>		
Recoverable from Consumers		
Non-current	-	4.78
Current	-	-
<b>Total Contract Assets</b>	-	4.78
<b>Contract liabilities</b>		
Liabilities towards Consumers		
Non-current	-	-
Current	28.50	-
<b>Total Contract Liabilities</b>	28.50	-
<b>Receivables</b>		
Trade Receivables (Gross)	616.70	452.74
Unbilled Revenue for passage of time	519.40	610.45
(Less): Allowance for Doubtful Debts	(64.70)	(27.04)
<b>Net Receivables</b>	1,071.40	1,036.15

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognised as revenue as and when the performance obligation is satisfied.

Significant changes in the contract assets and the contract liabilities balances during the year are as follows :

	For the year ended 31 March, 2020	(₹ in Crores) For the year ended 31 March, 2019
<b>Opening Balance</b>		
Recoverable from consumers	4.78	-
Liabilities towards consumers	-	-
<b>A</b>	4.78	-
Income to be adjusted in future tariff determination in respect of earlier year (of which Rs. 2.26 crores recoverable from others)	(10.22)	(8.95)
Income to be adjusted in future tariff determination (Net)	(23.06)	13.73
<b>B</b>	(33.28)	4.78
<b>Closing Balance</b>		
Recoverable from consumers	-	4.78
Liabilities towards consumers	28.50	-
<b>(A+B)</b>	28.50	4.78

### 27 OTHER INCOME

	For the year ended 31 March, 2020	(₹ in Crores) For the year ended 31 March, 2019
<b>a) Interest Income</b>		
On Financial Assets carried at Amortised Cost		
Bank Deposits	20.19	14.65
Overdue Trade Receivables	4.27	16.68
On non current investment - Contingency Reserve Fund	2.34	9.61
On Intercompany Deposits	23.67	-
Other interest	32.79	3.47



## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

	For the year ended 31 March, 2020	(₹ in Crores) For the year ended 31 March, 2019
Interest on Security Deposits - Lease	0.93	-
<b>b) Gain/(Loss) on Investments</b>		
Gain On Sale / Fair Value Of Current Investments Measured at FVTPL	15.89	2.01
Gain On Sale / Fair Value Of Current Investments Measured at FVTPL - Contingency Reserve Fund	10.78	2.47
<b>c) Other Non-operating Income</b>		
Gain on Extinguishment of Financial Liabilities	-	55.39
Bad Debts Recovery	8.85	4.99
Sale of Scrap	6.67	3.68
Rental Income	0.43	0.78
Delayed Payment Charges	38.21	28.78
Foreign Exchange Gain (net)	-	6.01
	<b>165.02</b>	<b>148.52</b>

### 28 EMPLOYEE BENEFIT EXPENSES

	For the year ended 31 March, 2020	(₹ in Crores) For the year ended 31 March, 2019
Salaries, Wages & Bonus	733.14	670.31
Contribution To Gratuity	42.72	73.26
Contribution to Provident and Other Funds	52.46	50.67
Contribution to Superannuation Fund	8.39	8.22
Compensated absences	70.51	37.07
Staff Welfare Expenses	113.39	95.29
	<b>1,020.61</b>	<b>934.82</b>
Less : Staff Cost Capitalised	(126.46)	(66.94)
<b>Total</b>	<b>894.15</b>	<b>867.88</b>

### 29 FINANCE COSTS

	For the year ended 31 March, 2020	(₹ in Crores) For the year ended 31 March, 2019
<b>a) Interest Expense</b>		
<b>Borrowings - Amortised Cost</b>		
Rupee Term Loans (Refer Note 1)	920.46	881.79
\$ Senior Secured Note	43.02	-
\$ Shareholders Affiliated Debts	19.24	-
\$ External Commercial Borrowings	2.15	-
Working Capital Loans	29.22	53.70
Foreign Exchange Fluctuation Gain(net)-Borrowings (Refer Note 3)	(52.05)	-
Interest - Hedging Cost	41.63	-
Interest on Intercompany Deposit - Parent Company	38.59	31.16
<b>Others</b>		
Security Deposits From Consumers at amortised cost	42.42	38.50
Interest on lease obligation	6.89	-
Interest - Others	42.99	5.16
	<b>1,134.55</b>	<b>1,010.31</b>
Less : Interest Cost Capitalised	(21.75)	(11.48)
	<b>1,112.80</b>	<b>998.83</b>
<b>b) Other Borrowing Costs</b>		
Other Finance Cost	5.69	2.99
<b>Total</b>	<b>1,118.50</b>	<b>1,001.82</b>

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

### Note :

- \$ In Foreign Currency,  
 1 Includes ₹ 157.20 Crore (unamortised upfront fees) charged off on refinancing of Rupee Term Loans with Foreign Currency Debt.  
 2 The weighted average capitalisation rate on the Company's general borrowings is 9.09 % (31 March 2019 : 9.0%) per annum.  
 3 Including Mark to Market gain of ₹ 648.84 Crore on Derivative Instruments designated in hedge accounting relationship.

### 30 OTHER EXPENSES

	For the year ended 31 March, 2020	(₹ in Crores) For the year ended 31 March, 2019
Consumption Of Stores & Spares	58.63	58.58
Repairs & Maintenance		
- Plant & Machinery	277.74	250.53
- Buildings	14.05	14.91
- Others	8.64	14.02
Rental of Land, Building, Plant & Machinery Etc	-	25.30
@ Short Term Lease Rental of Land, Building, Plant & Machinery Etc	17.07	-
Vehicle Hire Charges	22.79	26.52
Rates and Taxes	10.18	17.01
Legal & Professional Expenses	129.78	123.99
Directors' Sitting Fees	0.04	0.01
Bank Charges	8.51	10.41
@@ Payment to Auditors	1.56	1.44
Communication Expenses	8.59	8.23
Travelling & Conveyance Expenses	15.01	16.47
Insurance Expenses	19.05	19.05
License fees	1.69	1.93
Security Charges	32.73	32.87
Seminar & Training Expenses	3.12	0.88
Software Expenses	12.34	1.89
Share Issue Expenses	-	2.91
Provision for Doubtful Trade Receivables	32.60	23.53
Provision for Doubtful Deposits	-	1.05
Bill Print/Collection/ Distribution	7.47	9.22
Foreign Exchange Fluctuation Loss(net)	12.53	-
Call Center Expenses	6.44	5.54
(Profit) / Loss on Sale of Assets (net)	4.57	17.28
Donations	-	0.30
Corporate Social Responsibility Expenses	-	0.97
Electricity Expenses	0.48	0.25
Printing & Stationery	3.41	3.33
Other Miscellaneous Expenses	14.80	18.63
Advertisement & Publicity	5.51	4.42
Water charges	2.90	3.18
<b>Total</b>	<b>732.23</b>	<b>714.65</b>

@ Lease Rentals in respect of low value assets is not material.

#### (i) Payment to auditors (inclusive of GST)

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

	(₹ in Crores)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
As auditor:		
Statutory Audit Fees	1.42	1.42
Other Services	0.11	0.02
Out of Pocket Expenses	0.03	-
<b>Total</b>	<b>1.56</b>	<b>1.44</b>

@@ Excludes sum of ₹ 1.18 Crore ( 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.

### (ii) Corporate Social Responsibility Expenses

Amount required to be spent as per section 135 of the Act	0.92	-
Amount spent during the year		
(a) Construction, Acquisition of asset	-	-
(b) On purpose other than (a) above	-	0.97

the Company intends to spend the unutilised amount in the subsequent year on COVID-19 related activities, etc.

## 31 TAX EXPENSES

### 1 Income Taxes recognised in the statement of profit & loss

	(₹ in Crores)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Current Income Tax (MAT)	50.84	41.98
Deferred Tax	151.74	65.68
<b>Total</b>	<b>202.58</b>	<b>107.66</b>

### 2 Income Tax recognised in other comprehensive income

	(₹ in Crores)	
	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Current Income Tax		
-Remeasurement of Defined Benefit Plans	3.61	-
<b>Total income tax recognised in other comprehensive income</b>	<b>3.61</b>	<b>-</b>

#### Bifurcation of the income tax recognised in other comprehensive income into:

Items that will be reclassified to statement of profit and loss		
Items that will not be reclassified to statement of profit and loss	3.61	
<b>Total</b>	<b>3.61</b>	<b>-</b>

The income tax expenses for the year can be reconciled to the accounting profit as follows:

Profit/(Loss) Before Tax	252.80	169.14
Income tax using the Company's domestic tax rate	88.34	59.10
<b>Tax Effect of :</b>		
- Non deductible Expenses	-	1.46

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

- Interest on Perpetual Instrument	(8.29)	(5.50)
- MAT credit not recognised	50.84	41.98
- Tax on other Items	3.71	10.62
- Deferred Tax Assets Written off	95.98	-
- Deferred Tax Asset on unabsorbed Depreciation in respect of earlier years	(28.00)	-
<b>Income tax expense recognised in Statement of Profit and Loss</b>	<b>202.58</b>	<b>107.66</b>

### Notes

- The tax rate used for the years 31 March, 2020 and 31 March, 2019 reconciliations above is the corporate tax rate of 34.944% payable by corporate entities in India on taxable profits under the Indian tax law.
- The rate used for calculation of Deferred tax is 34.944%, being statutory enacted rate at respective Balance Sheet date.
- The Union Cabinet on 20 November 2019 approved the proposal for introducing the Taxation Laws (Amendment) Bill, 2019 in order to replace the Ordinance, 2019. Accordingly, on 25 November 2019, the Taxation Laws (Amendment) Bill, 2019 (Bill) was introduced which received the assent of the President of India on 12 December 2019. The Taxation Laws Amendment Bill inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective 01 April, 2019 subject to certain conditions. The Company has decided not to avail the benefit provided under the above Bill, however the Company would evaluate its option in the future based on business developments.

### 3 Deferred Tax

	<b>For the year ended 31 March, 2020</b>	<b>For the year ended 31 March, 2019</b>
	(₹ in Crores)	
Deferred tax Assets	764.89	517.67
Deferred tax Liabilities	815.31	416.35
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>(50.42)</b>	<b>101.32</b>

#### 2019-20

	<b>Opening Balance</b>	<b>Recognised in Profit &amp; Loss</b>	<b>Closing Balance</b>
	(₹ in Crores)		
<b>Deferred Tax Assets in relation to</b>			
Allowance for Doubtful Debts, Deposits and Advances	8.59	(8.59)	-
Provisions for employee benefits and others	186.74	(186.74)	-
Unabsorbed Depreciation	322.34	442.55	764.89
	517.67	247.22	764.89
<b>Deferred Tax liabilities in relation to</b>			
Property, Plant & Equipment	416.35	398.96	815.31
	416.35	398.96	815.31
<b>Deferred Tax Asset/(Liability) (Net)</b>	<b>101.32</b>	<b>(151.74)</b>	<b>(50.42)</b>

#### 2018-19

	<b>Opening Balance</b>	<b>Arising on Business Combination</b>	<b>Recognised in Profit &amp; Loss</b>	<b>Closing Balance</b>
	(₹ in Crores)			
<b>Deferred Tax Assets in relation to</b>				
Allowance for Doubtful Debts, Deposits and Advances	-	-	8.59	8.59
Provisions for employee benefits and others	-	167.00	19.74	186.74
Unabsorbed Depreciation	-	-	322.34	322.34

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

	Opening Balance	Arising on Business Combination	Recognised in Profit & Loss	(₹ in Crores) Closing Balance
	-	167.00	350.67	517.67
<b>Deferred Tax liabilities in relation to</b>				
Property, Plant & Equipment	-		416.35	416.35
	-	-	416.35	416.35
<b>Deferred Tax Asset/(Liability) (Net)</b>	-	167.00	<b>(65.68)</b>	<b>101.32</b>

As at 31 March, 2020 MAT Credit not recognised ₹ 88 Crore (31 March 2019 ₹ 41.98 Crore) and Tax Losses carried forward is ₹ 2,188.91 Crore (31 March, 2019 ₹ 922.47 Crore)

### 32 EARNINGS PER SHARE (EPS)

		For the year ended 31 March, 2020	For the year ended 31 March, 2019
<b>(A) Before net Movement in Regulatory Deferral Balance</b>			
Profit / (Loss) attributable to Equity Shareholders		50.22	61.48
Add/(Less): Net Movement in Regulatory Deferral Balance		(232.77)	157.59
Income tax on Regulatory Income / (expense)		40.67	(33.96)
Regulatory Income / (expense) (net of tax)		(192.10)	123.63
Net Profit / (Net Loss) excluding regulatory Income		242.32	(62.15)
Less Distribution on unsecured perpetual instrument		(23.72)	(15.75)
Net Profit / (Net Loss) attributable to Equity Shareholders excluding Regulatory income/(expense)		218.60	(77.90)
Number of Weighted Average Equity Shares, outstanding during the year for basic / diluted EPS	No	3,503,512,256	2,086,625,342
Nominal Value of Equity Shares	₹	10.00	10.00
<b>Basic / Diluted Earnings per Share before net Movement in Regulatory Deferral Balance</b>	₹	0.62	(0.37)
<b>(B) After net Movement in Regulatory Deferral Balance</b>			
Profit / (Loss) attributable to Equity Shareholders		50.22	61.48
Less Distribution on unsecured perpetual instrument		(23.72)	(15.75)
Net Profit / (Net Loss) attributable to Equity Shareholders including Regulatory income/(expense)		26.50	45.73
Number of Weighted Average Equity Shares, outstanding during the year for basic EPS	No	3,503,512,256	2,086,625,342
Nominal Value of Equity Shares	₹	10.00	10.00
<b>Basic / Diluted Earnings per Share after net Movement in Regulatory Deferral Balance</b>	₹	0.08	0.22

### 33 BUSINESS COMBINATION DURING THE YEAR ENDED 31 MARCH, 2019

- Consequent to a scheme of arrangement approved by the High Court of Judicature at Bombay, and other regulatory approvals obtained in this regard, the Mumbai Power business of Reliance Infrastructure Limited (RINFRA) consisting of Generation, Transmission and Distribution assets and liabilities has been demerged and transferred into the Company with an appointed date of 1 April, 2018 and the name of the Company was changed to Adani Electricity Mumbai Limited. The scheme of arrangement as approved, required that the assets and liabilities as at the appointed date be accounted for at Fair Values in the books of the Company upon transfer on demerger.

Pursuant to the share purchase agreement (Including Supplementary Agreements) entered into between RINFRA, Adani Transmission Limited (ATL) and the Company, ATL acquired 100% equity share capital of the Company on 29 August, 2018 for a cash consideration of Rs. 12,350.00 crores. The said acquisition has been accounted as a business acquisition in terms of Ind AS 103 – Business Combinations.



## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

On final determination of the fair values, the Company has accounted for assets and liabilities at fair values which has resulted in the Company acquiring assets including property, plant and equipment, intangible assets and other current / non-current assets at a Fair Value of ₹ 16,824.56 crores along with borrowings, and other current / non-current liabilities at a Fair Value of ₹ 4,243.78 crores. The purchase price consideration aggregating to ₹ 12,350.00 crores was discharged by availment of borrowings amounting to Rs. 8,950.00 crores and balance of Rs. 3,400.00 crores in cash to RINFRA resulting in Capital Reserve on acquisition amounting to ₹ 230.78 crores.

The above acquisition was done by the Adani Group, with an intention to enter the power distribution business and exploit the synergies with the Groups other related infrastructure business.

### 2 Fair Value of assets acquired and liabilities recognised w.e.f. appointed date i.e. April 01, 2018.

<b>ASSETS</b>	
<b>Non-current Assets</b>	
Property, Plant and Equipment	11,817.41
Capital Work-In-Progress	189.47
Intangible Assets (including transmission license)	992.97
Financial Assets	
(i) Investments	116.38
(ii) Loans	26.43
(iii) Other Financial Assets	52.98
Deferred Tax Assets (Net)	167.00
Other Non-current Assets	11.02
<b>Current Assets</b>	
Inventories	314.58
Financial Assets	
(i) Investments	22.98
(ii) Trade Receivables	424.64
(iii) Loans	2.87
(iv) Other Financial Assets	1,452.11
Other Current Assets	88.66
<b>Regulatory Deferral Account - Assets</b>	<b>1,145.06</b>
<b>Total Assets</b>	<b>16,824.56</b>
<b>LIABILITIES</b>	
<b>Reserves</b>	
Contingency Reserve	157.89
<b>Non-current Liabilities</b>	
Financial Liabilities	
(i) Trade Payables	19.17
Other Non Current Liabilities	210.73
Provisions	449.72
<b>Current Liabilities</b>	
Financial Liabilities	
(i) Trade Payables	1,256.16
(ii) Other Financial Liabilities	1,572.55
Other Current Liabilities	306.00
<b>Regulatory Deferral Account - Liabilities</b>	<b>271.56</b>
<b>Total Liabilities</b>	<b>4,243.78</b>
<b>Net identifiable assets acquired</b>	<b>12,580.78</b>
Consideration paid in Cash (Net of Nil Cash and cash equivalent balance acquired)	3,400.00
Consideration discharged by availment of borrowings	8,950.00
<b>Total Consideration transferred</b>	<b>12,350.00</b>
Capital reserve arising on acquisition directly recognised in Equity	230.78

Acquisition related cost in respect of the above business combination have been born by the Parent Company.

- 3 The fair value of the trade receivables expected to collected amounts to ₹ 424.64 Crore. The gross amount of trade receivables is ₹ 502.14 Crore. However, fair value of the trade receivables is not credit impaired and it is expected that the full contractual amounts can be collected.

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

- 4 The fair value of PPE and Intangible assets has been determined based on valuations done by Government approved valuer / professional valuation firm.
  - (i) The critical estimates / judgements involved in fair value measurements in respect of PPE :
    - Land prices, Floor Space Index potential, Construction & other associated costs.
    - Inflation indices, Discount for technical and functional obsolescence.
    - Re-instatement costs.
  - (ii) The critical estimates / judgements involved in fair value measurements in respect of Intangible Assets - Transmission & Distribution License are based on :
    - Future capital expenditure
    - Discount rate and Perpetuity growth rate
    - Valuation method used

**34** As stated in Note 33 above, during the previous year ended 31 March 2019, the Company has acquired the Mumbai Power Business consisting of generation, transmission and distribution business (the "Business") of Reliance Infrastructure Limited ("RINFRA") pursuant to a Scheme of Arrangement (the "Scheme") between the Company, Adani Transmission Limited – Holding Company ("ATL") and RINFRA, which was approved by the Honorable High Court of Mumbai with an appointed date of 1 April, 2018, and other regulatory approvals. Consequent to receipt of all regulatory/ lenders approvals which were received in August 2018, ATL / the Company obtained control of the said Business from RINFRA on 29 August, 2018, being the date of acquisition / control. In terms of the Scheme approved as above, the assets and liabilities of the acquired Business are required to be accounted for at their respective fair values as of the appointed date of 1 April, 2018, which is contrary to the accounting treatment prescribed under IND AS 103 – Business Combinations, which requires the assets and liabilities of the acquired business to be accounted for at their respective fair values as on the date of acquisition / control on 29 August, 2018.

The impact of the above accounting treatment on the fair values of Assets and Liabilities as at the acquisition date would have resulted in a lower fair value of ₹ 22.17 crores as at the acquisition date.

**35** In accordance with the requirements of Ind AS 36 "Impairment of Assets", Transmission Cash Generating Unit ("TCGU") which includes carrying value of Transmission License having indefinite useful life being Transmission License (₹ 981.62 crores), has been tested for impairment as at 31 March, 2020 wherein, 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 9 % per annum has been used. In arriving at the recoverable amount of the TCGU, financial projections have been developed for 5 years and thereafter in perpetuity considering a terminal growth rate of 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 (31 March 2019 - ₹ Nil) Crore. 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

- (i) Discount Rate: 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
- (ii) Capital expenditure /Capitalisation: Capital expenditure and capitalisation for 5 years is estimated based on management projections considered for purposes of Multi Year Tariff filing with MERC and thereafter Rs 250 crores per annum.

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

### 36 LEASES

#### (i) Disclosure under Ind AS 116 Leases:

- a) The following is the movement in Lease liabilities during the year ended 31st March, 2020

(₹ in Crores)

Particulars	
<b>Balance as at 1st April, 2019</b>	
Lease Liabilities on account of adoption of Ind AS 116	63.75
Lease Liabilities on account of Leases entered / terminated during the year	65.55
Payments of Lease Liabilities	(25.28)
<b>Balance as at 31 March, 2020 (refer note 20)</b>	<b>104.02</b>

- b) 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").

#### (ii) Disclosure under Ind AS 17 Leases for the year ended 31 March 2019

- a) The Group's significant leasing arrangements are in respect of operating leases of premises for office premises, residential premises, warehouses and cash collection centers for a period of eleven months to five years. These leasing arrangements are usually renewable on mutually agreed terms and are generally not non-cancellable. Under these arrangements, generally refundable interest free deposits have been given. Lease payments in respect of premises for office premises, residential premises, warehouses and cash collection centers amounting ₹ 23.27 crore are included under 'Rental of Land, Building, Plant & Machinery Etc' in Note 30.

The future minimum lease payments in respect of non-cancellable leases is as follows : -

	For the year ended 31 March, 2019
Less than 1 year	8.45
Between 1 to 5 years	6.04
More than 5 years	-
	<b>14.49</b>

The Group has not entered into any financial lease.

Material Leasing arrangements with respect to land range between 25 years to 99 years generally wherein the entire lease rent has been paid in advance.

- b) The Group has 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.

The Group on assessment of the above arrangement has concluded, that the payment towards fixed monthly capacity charge is contingent on plant availability which is the responsibility of VIPL, and accordingly such lease has been classified as operating lease.

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

### 37 CONTINGENT LIABILITIES AND COMMITMENTS

		(₹ in Crores)	
		As at 31 March, 2020	As at 31 March, 2019
<b>(A) Contingent liabilities :</b>			
Claims against the Company not probable and hence not acknowledged as debts consists of : -			
(i)	Demand disputed by the Company relating to Service tax on Street Light Maintenance, wheeling charges and cross subsidy surcharges - Refer note 3	353.55	353.55
(ii)	Take or Pay dispute with The Tata Power Company Ltd (TPCL) - Refer note 4	-	323.87
(iii)	Claims raised by the Government authorities towards unearned income arising on alleged transfer of certain land parcels - Refer note 3	127.65	127.65
(iv)	Demand towards fixed charges payable in respect of power drawn from the state pool - Refer note 5	99.68	124.60
(v)	Way Leave fees claims disputed by the Group relating to rates charged - Refer note 3	28.43	20.60
(vi)	Property related disputes - Refer note 3	2.59	2.59
(vii)	Other claims against the Group not acknowledged as debts.	2.12	2.12
(viii)	Claims raised by Vidarbha Industries Power Limited (VIPL) in respect of increase in fuel cost for the financial year ended 31 March, 2019 - Refer Note 3	1,381.28	1,381.28
		<b>1,995.30</b>	<b>2,336.26</b>

#### Notes:

- Amounts in respect of employee related claims/disputes, consumer related litigation, regulatory matters is not ascertainable.
- Future cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.
- In terms of the Share Purchase Agreement entered into by the Company, ATL with RINFRA, in the event the above matters are decided against the Company and are not recoverable from the consumers, the same would be recovered from RINFRA.
- Pursuant to the order passed by MERC dated December 12, 2007, in case No. 7 of 2002, TPCL has claimed an amount of ₹ 323.87 Crore towards the following:
  - Difference in the energy charge for energy supplied by TPCL at 220 kV interconnection for the period March 2001 to May 2004 along with interest at 24% per annum up to December 31, 2007, and
  - Minimum off-take charges for energy for the years 1998-99 to 1999-2000 along with interest at 24% per annum up to December 31, 2007.

In an appeal filed by the Company, ATE held that the amount in the matter (a) above is payable by the Company along with interest at State Bank of India prime lending rate for short term borrowings. The matter (b) was remanded to MERC for redetermination. The Company had filed an appeal against the said order before the Supreme Court, which while admitting the appeal, had by way of interim order restrained TPC from taking any coercive action in respect of the matter stated in (a) above and TPCL had also filed an appeal against the said order. The Company has complied with the interim order directions of depositing ₹ 25 Crore with the Registrar of Supreme Court which has been withdrawn by TPCL and has provided a Bank Guarantee of ₹ 9.98 Crore.

During the year, Supreme Court has issued its final order in respect of the above matter and consequent to the same, the Company has paid a sum ₹ 41.92 crores (including interest of ₹ 31.94 crores and net of deposit of ₹ 25 crores) to TPCL towards difference in Energy Charges, further a sum of ₹ 40.49 crores has been paid by the Company to TPCL towards its claim of Take or Pay charges.

The above amounts are recoverable from the consumers as part of the truing up exercise."

- MERC vide its order dated 26 September, 2019 has upheld the demand raised by MSEDCL on the Company of ₹ 124.60 crores, towards payment of fixed cost in respect of power procured from the State pool during the

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

financial years ended 31 March, 2012 to 31 March 2018. Similar demands have also been raised by MSEDCL on other Mumbai Licensees.

MERC in its above order, has however differed with the methodology adopted by MSLDC in calculating the above demand, and has issued instructions to MSLDC to issue revised bills based on the agreed revised methodology within a period of 1 year, and further, considering the amount/period involved directed MSLDC to set up a task force comprising officials from all Maharashtra Utilities to complete the task. MERC has also instructed that any amount payable (including relevant carrying cost) can be claimed by the respective Mumbai Licensees during the truing up/ARR exercise.

In terms of the above stated MERC Order, considering the proposed revision in the methodology to be adopted by MSLDC in calculating the above, and the complexities involved/unavailability of technical data in respect of all utilities, the management is unable to make an estimate of the above liability and accordingly no provision has been made in respect of the above as at 31 March, 2020. The Company would account for the same and pass through to the consumers, as and when the provisional/final invoices would be received.

Further an amount of ₹ 24.92 crores which was paid as an interim payment against the above demand based on MERC instructions in the previous year, has been charged to cost of power purchased during the year and recovered from consumers as part of FAC mechanism."

- 6 The above Contingent Liabilities to the extent pertaining to Regulated Business, which on unfavorable outcome are recoverable from consumers subject to MERC approval.

the Company, 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.

### (B) Commitments :

		(₹ in Crores)	
		As at 31 March, 2020	As at 31 March, 2019
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	211.00	414.13
		<b>211.00</b>	<b>414.13</b>

- (ii) In terms of the MERC RPO obligation regulations, the Company is required to procure on an annual basis a certain quantum of power generated from renewable sources, as at 31 March, 2020 the Company has an cumulative outstanding commitment to procure renewable power of 3211 MU's (31 March, 2019 - 2067 Mu's)

the Company 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 31 March, 2022.

the Company 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 the Company 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 the Company of its past RPO obligations.

- 38 Maharashtra Electricity Regulatory Commission ("MERC") vide its order dated 30 March, 2020, has approved the Truing-up of Annual Revenue Requirement (ARR) for FY 2017-18 and FY-2018-19, Provisional Truing-up of ARR for FY 2019-20 and ARR and Tariff for the Fourth Control Period from 2020-21 to 2024-25 for Generation, Transmission and Distribution Business of the Company (MYT Order). Consequent to the above order, the Company in respect of final truing up done for FY 2018-19 has recognised net income of ₹ 143.98 Crore during the year ended 31 March, 2020.

- 39 ATL has acquired the control of the Company wef 29 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 prior to August 28, 2018 is to the account of R-infra.

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

Considering the order was received on 30 March, 2020, the management is in process of doing a detailed evaluation of the order, so as to finalize the amount recoverable. Such recoverable amounts are mainly on account of various components such as annual surplus, capex disallowances, MAT credit etc. Pending final determination of the amount recoverable from RINFRA, the same has not been accounted for as at 31 March, 2020 and would be accounted for as and when such amount is finally determined.

### 40 RELATED PARTY DISCLOSURE

As per the Ind AS 24, disclosure of transactions with related parties, are given below:

#### Name of related parties & description of relationship

<b>(A) Ultimate Holding Entity</b>	S. B. Adani Family Trust (SBFT) (w.e.f 29.08.2018)
<b>(B) Holding Company</b>	Adani Transmission Limited - (w.e.f 29.08.2018) Reliance Infrastructure Limited - (Upto 29.08.2018)
<b>(C) Subsidiary Company</b>	Adani Electricity Mumbai Infra Ltd (w.e.f. 03.01.2020)
<b>(D) Key Management Personnel:</b>	Mr. Kandarp Patel, Managing Director & CEO - (w.e.f 29.08.2018) Mr. Rakesh Tiwary, Chief Financial Officer -(w.e.f 01.11.2018) Mr. Abhijit Banerjee, Company Secretary-(w.e.f 29.08.2018 and Upto 13.02.2020) & Director - (Upto 28.08.2018) Mr. Jaldhi Shukla, Company Secretary-(w.e.f 13.02.2020) Mr. Anil Sardana, Director - (w.e.f 29.08.2018) Mr. Sagar Adani, Director - (w.e.f 29.08.2018) Mr. K Jairaj, Independent Director - (w.e.f 29.08.2018) Ms. Chitra Bhatnagar, Director (w.e.f 29.09.2019) Mr. Divyesh Dalal, Director - (Upto 28.08.2018) Mr. Prakash Khedekar, Director - (Upto 28.08.2018)
<b>(E) Entity having significant influence</b>	Qatar Holding LLC (w.e.f. 10.02.2020)
<b>(F) Enterprises over which (A) or (B) or (D) or (E) above have significant influence :</b> (where transactions have taken place during the year and previous year / balance outstanding)	Adani Power Limited-(w.e.f 29.08.2018) Adani Enterprises Limited-(w.e.f 29.08.2018) Adani FinServ Private Limited-(w.e.f 29.08.2018) Adani Properties Private Limited-(w.e.f 29.08.2018) Adani Capital Private Limited-(w.e.f 29.08.2018) Adani Housing Finance Private Limited-(w.e.f 29.08.2018) Karnavati Aviation Private Limited-(w.e.f 29.08.2018) Adani Power (Mundra) Limited-(w.e.f 29.08.2018) Adani Green Energy Limited-(w.e.f 29.08.2018) Mundra Solar Pv Ltd-(w.e.f 29.08.2018) Sunbourne Developers Private Limited (w.e.f.29.08.2018) Adani Institute For Education & Research (w.e.f.29.08.2018) Adani Township & Real Estate Company Limited (w.e.f.29.08.2018) AEML Infrastructure Limited (w.e.f.12.12.2018) Rosepetal Solar Energy Private Limited (w.e.f.29.08.2018) Reliance Infocomm Infrastructure Limited - (Upto 28.08.2018) Reliance General Insurance Company Limited - (Upto 28.08.2018) Reliance Innoventures Private Limited - (Upto 28.08.2018) Reliance Communication Limited - (Upto 28.08.2018) Reliance Infratel Limited - (Upto 28.08.2018) Reliance General Insurance Company Limited - (Upto 28.08.2018) Reliance Health Insurance Limited - (Upto 28.08.2018) Reliance Home Finance Limited - (Upto 28.08.2018) Reliance Nippon Life Asset Management Limited - (Upto 28.08.2018) Dhursur Solar Power Private Limited - (Upto 28.08.2018) Reliance Power Limited - (Upto 28.08.2018) Vidarbha Industries Power Limited - (Upto 28.08.2018)



## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

	Sasan Power Limited - (Upto 28.08.2018)
	DA Toll Road Private Limited - (Upto 28.08.2018)
	Reliance Commercial Finance Limited - (Upto 28.08.2018)
	Sasan Power Limited - (Upto 28.08.2018)
<b>(G) Employee Benefits Funds :</b>	AEML Gratuity Fund - (w.e.f. 01.09.2018)
	AEML Superannuation Fund - (w.e.f. 01.09.2018)
	AEML Leave Encashment fund - (w.e.f. 01.09.2018)
	Reliance Infrastructure Limited Gratuity Fund - (Upto 28.08.2018)
	Reliance Infrastructure Limited Superannuation Fund - (Upto 28.08.2018)

Nature of Transaction	Name of Related Party	(₹ in Crores)	
		For the year ended 31 March, 2020	For the year ended 31 March, 2019
Unsecured Perpetual Instrument availed	Adani Transmission Limited	-	243.06
Distribution on Unsecured Perpetual Instrument	Adani Transmission Limited	23.72	15.75
Insurance Premium paid	Reliance General Insurance Company Limited	-	1.23
Reimbursement of Expenses	Adani Transmission Limited	2.90	142.24
Inter Corporate Deposit (ICD) Received	Adani Transmission Limited	121.00	710.25
	Reliance Infrastructure Limited	-	77.35
Inter Corporate Deposit (ICD) Repaid	Adani Transmission Limited	160.00	250.00
	Reliance Infrastructure Limited	-	108.31
Conversion of Unsecured Perpetual Instrument into Equity Shares	Adani Transmission Limited	280.95	-
Conversion of ICD (including interest accrued) into Equity Shares	Adani Transmission Limited	460.25	-
Issue of Equity Shares on Conversion of ICD (including interest accrued) and Unsecured Perpetual Instrument - (refer note 15)	Adani Transmission Limited	741.20	-
Inter Corporate Deposit (ICD) Given	Adani Capital Private Limited	90.00	-
	Adani Housing Finance Private Limited	10.00	-
	Adani Properties Private Limited	1,620.00	-
Inter Corporate Deposit (ICD) Received Back	Adani Capital Private Limited	90.00	-
	Adani Housing Finance Private Limited	10.00	-
Consideration paid towards purchase of business (Net of Advance adjusted)	Reliance Infrastructure Limited	-	10,850.00
Amount received towards regulatory liability	Reliance Infrastructure Limited	-	271.56
Share application money received	Reliance Infrastructure Limited	-	3,400.00
Interest Paid on ICD	Adani Transmission Limited	38.59	31.16
Commitment Charges Paid	Qatar Holding LLC	7.52	-
Interest Paid on Sub debt	Qatar Holding LLC	19.24	-
Interest Received on ICD (Loans)	Adani Capital Private Limited	2.07	-
	Adani Housing Finance Private Limited	0.26	-
	Adani Properties Private Limited	3.00	-
Tender Fees Received	Rosepetal Solar Energy Private Ltd	0.04	-

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

Nature of Transaction	Name of Related Party	(₹ in Crores)	
		For the year ended 31 March, 2020	For the year ended 31 March, 2019
Earnest Money Deposit (EMD) received	Adani Enterprises Limited	0.99	-
Contribution to Employee Benefits	AEML Gratuity Fund	1.01	5.00
	AEML Leave Encashment Fund	258.01	-
	Provident Fund Of Reliance Infrastructure Limited	-	15.52
	AEML Superannuation Fund	8.39	4.75
	Reliance Infrastructure Limited	-	3.47
	Superannuation Fund	-	-
Purchase of Services	Karnavati Aviation Private Limited	12.98	4.74
	Adani Finserve Private Limited	-	8.26
	Reliance Infocomm Infrastructure Limited	-	0.01
	Adani Transmission Limited	-	29.48
	Adani Power (Mundra ) Limited	0.02	-
	Adani Institute For Education & Research	-	-
	Adani Township & Real Estate Company	0.34	-
	Adani Enterprises Limited	101.75	71.83
Purchase of PPE	Adani Power Limited	-	0.33
	Mundra Solar Pv Limited	0.48	-

Nature of Transaction	Name of Related Party	(₹ in Crores)	
		For the year ended 31 March, 2020	For the year ended 31 March, 2019
Employee advance transferred	Adani Enterprises Limited	-	0.01
	Adani Power Limited	1.51	-
Employees benefits Received	Adani Power (Mundra ) Limited	-	0.44
	Adani Green Energy Limited	-	0.16
	Mundra Solar Pv Ltd	-	0.09
Subordinate debt received	Qatar Holding LLC	2,009.64	-
Advance - Paid	AEML Infrastructure Limited	3.41	-
Advance paid towards Purchase of property	Sunbourn Developers Private Limited	271.00	-
Advance paid towards Purchase of Power	Adani Enterprises Limited	200.00	-
Subordinate debt repaid	Reliance Infrastructure Limited	-	3.70
Purchase of Power (net of discount)	Adani Enterprises Limited (excluding banking transactions)	1,035.91	79.97
	Dhursur Solar Power Private Limited	-	49.40
	Reliance Innoventures Private Limited	-	34.75
	Reliance Power Limited	-	26.33
	Vidarbha Industries Power Limited	-	400.74

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

Nature of Transaction	Name of Related Party	(₹ in Crores)	
		For the year ended 31 March, 2020	For the year ended 31 March, 2019
Rent Received	DA Toll Road Private Limited	-	0.00
	Reliance Commercial Finance Limited	-	0.00
	Reliance General Insurance Company Limited	-	0.00
	Reliance Health Insurance Limited	-	0.00
	Reliance Home Finance Limited	-	0.00
	Reliance Nippon Life Asset Management Limited	-	0.02
	Sasan Power Limited	-	0.00
	Reliance Infratel Limited	-	1.16
Remuneration paid	Mr. Rakesh Tiwary	1.56	0.45
	Mr. Abhijit Banerjee	0.39	0.34
Sitting Fees	Mr. K Jairaj	0.03	0.01
	Ms. Chitra Bhatnagar	0.00	-

Closing Balance	Name of Related Party	(₹ in Crores)	
		As at 31st March, 2020	As at 31st March, 2019
Balance Payable	Adani Enterprises Limited (excluding banking transactions)	-	44.29
	Adani Power Limited	1.51	0.33
	Adani Township & Real Estate Company	0.05	-
	Mundra Solar Pv Ltd	0.38	-
	Adani Transmission Limited	2.65	-
	Karnavati Aviation Private Limited	-	4.66
	Adani Enterprises Limited (excluding banking transactions)	166.12	-
Balance Receivable	Adani Power (Mundra ) Limited	-	0.44
	Adani Green Energy Limited	0.16	0.16
	Adani Properties Private Limited	1,620.00	-
	Sunbourn Developers Private Limited	271.00	-
	AEML Infrastructure Limited	3.41	-
	Mundra Solar Pv Ltd	-	0.09
	Adani Transmission Limited	1.00	460.25
ICD payable	AEML Superannuation Fund	0.68	0.66
Contribution to Employee Benefits Payable	Adani Transmission Limited	-	20.45
Interest accrued but not due on ICD	Adani Properties Private Limited	3.00	-
Interest accrued but not due on ICD Given			
Subordinate debt payable	Qatar Holding LLC	2,133.75	-
Interest accrued but not due on Sub debt	Qatar Holding LLC	19.24	-
Unsecured Perpetual Instrument	Adani Transmission Limited	-	257.23

### Note:

The above disclosure does not include transaction with / as public utility services viz, electricity, telecommunications etc. in the normal course of business

Key Managerial Personnel are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

### 41 DISCLOSURE UNDER IND AS 19 "EMPLOYEE BENEFITS" :

#### 1 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 provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner and the superannuation fund is administered by the trustees of the AEML Superannuation Scheme. Under the schemes, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. The Group has no obligation other than the contribution to the fund.

The Group has recognised the following amounts as expense in the financial statements for the year:

Particulars	(₹ in Crores)	
	31 March, 2020	31 March, 2019
Contribution to Provident Fund	38.35	36.87
Contribution to Employees Superannuation Fund	8.39	8.22
Contribution to Employees Pension Scheme	7.17	7.40
Contribution to Employees State Insurance	0.00	0.00

#### 2 Defined Benefit Plan

##### Gratuity

The Group operates a funded gratuity plan in the form of a Trust, governed by Trustees appointed by the Group and administered by Life Insurance corporation. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or Group scheme whichever is beneficial. The same is payable at the time of separation from the Group or retirement, whichever is earlier. The benefits vest after five years of continuous service.

Particulars	(₹ in Crores)	
	Gratuity for the year ended	Gratuity for the year ended
	31-03-2020	31-03-2019
Starting Period	01-04-2019	01-04-2018
Date of Reporting	31-03-2020	31-03-2019
<b>Principal Assumptions in actuarial valuation</b>		
Rate of Discounting	0.07	0.08
Rate of Salary Increase	0.10	0.10
Rate of Employee Turnover	0.01	0.01
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
<b>Change in the Present Value of Defined Benefit Obligation</b>	<b>31 March, 2020</b>	<b>31 March, 2019</b>
Present value of Benefit Obligation at the beginning of the year	596.73	-
Liability Transferred in / Acquired on Business Acquisition	0.37	547.63
Interest Cost	44.99	43.15
Current Service Cost	32.06	30.11
Benefit Paid Directly by the Employer	(48.92)	(23.89)
Benefit Paid From the Fund	(0.99)	-
Actuarial (Gain) / Losses on Obligation- Due to Change in Financial Assumptions	38.12	-
Actuarial (Gain) / Losses on Obligation- Due to Change in Demographic Assumptions	-	-

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

(₹ in Crores)		
Particulars	Gratuity for the year ended	Gratuity for the year ended
Actuarial (Gain) / Losses on Obligation-Due to Experience	(17.36)	(0.27)
<b>Present Value of Benefit Obligation at the end of the year</b>	<b>645.00</b>	<b>596.73</b>

(₹ in Crores)		
Change in the Fair Value of Plan Assets	31 March, 2020	31 March, 2019
Fair Value of Plan Asset at the beginning of the year	455.47	-
Planned Asset Acquired on Business Acquisition	0.00	450.71
Interest Income	34.34	-
Benefit Paid From the Fund	(0.99)	-
Contribution by the Employer	-	5.00
Return on Plan Assets Excluding Interest Income	0.06	(0.24)
<b>Fair Value of Plan Asset at the end of the year</b>	<b>488.88</b>	<b>455.47</b>
<b>Amount Recognised in the Balance Sheet</b>		
Present Value of Benefit Obligation at the end of the year	645.00	596.73
Fair Value of Plan Assets at the end of the year	488.88	455.47
<b>Funded Status (Deficit)</b>	<b>(156.12)</b>	<b>(141.26)</b>
<b>Net (Liability) Recognized in the Balance Sheet</b>	<b>(156.12)</b>	<b>(141.26)</b>
<b>Provisions</b>		
<b>Current</b>	<b>31.34</b>	<b>30.92</b>
<b>Non-Current</b>	<b>124.78</b>	<b>110.34</b>
<b>Expenses Recognized in the Statement of Profit and Loss</b>		
Current Service Cost	32.07	30.11
Net Interest Cost	10.65	43.15
<b>Expenses Recognised</b>	<b>42.72</b>	<b>73.26</b>
<b>Expenses Recognised in Other Comprehensive Income (OCI)</b>		
Actuarial Losses on Obligation for the year	20.74	(0.27)
Return on Plan Assets Excluding Interest Income	(0.06)	0.24
<b>Net Expenses / (Income) for the year recognised in OCI</b>	<b>20.68</b>	<b>(0.03)</b>
<b>Major Categories of plan assets</b>		
Government Securities	0.75	0.68
Debt Instruments	0.21	0.23
Equity Instruments	0.04	0.04
Cash & Cash Equivalents	-	0.05
<b>Total</b>	<b>1.00</b>	<b>1.00</b>
<b>Expected Contribution for next financial year</b>	<b>Not Determinable</b>	<b>Not Determinable</b>
<b>Expected Maturity Analysis of undiscounted defined Benefit Obligation is as follows</b>		
Within one year	38.94	51.68
Between 2 to 5 years	139.47	126.43
Between 6 to 10 years	326.94	291.13
Beyond 10 years	820.99	846.67
The weighted average duration of the defined benefit obligation	11.00	10.00
<b>Sensitivity Analysis</b>		
Projected Benefit Obligation on Current Assumptions	645.00	596.73
<b>Assumptions – Discount Rate</b>		
<b>Sensitivity Level</b>	<b>0.01</b>	<b>0.01</b>
Impact on defined benefit obligation –in % increase	(0.08)	(0.08)
Impact on defined benefit obligation –in Crore	(53.38)	(47.98)
Impact on defined benefit obligation –in % decrease	0.09	0.09
Impact on defined benefit obligation –in Crore	61.25	55.01

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

	(₹ in Crores)	
Change in the Fair Value of Plan Assets	31 March, 2020	31 March, 2019
<b>Assumptions – Future Salary Increase</b>		
<b>Sensitivity Level</b>	0.01	0.01
Impact on defined benefit obligation –in % increase	0.09	0.09
Impact on defined benefit obligation –in Crore	58.29	52.85
Impact on defined benefit obligation –in % decrease	(0.08)	(0.08)
Impact on defined benefit obligation –in Crore	(51.94)	(47.15)
<b>Assumptions – Employee Turnover</b>		
<b>Sensitivity Level</b>	0.01	0.01
Impact on defined benefit obligation –in % increase	(0.02)	(0.01)
Impact on defined benefit obligation –in Crore	(10.73)	(7.87)
Impact on defined benefit obligation –in % decrease	0.02	0.01
Impact on defined benefit obligation –in Crore	11.88	8.69

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the year) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

### 3 Risk exposure:

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility:

The plan liabilities are calculated using a discount rate set with reference to government bond yield. If plan assets underperform this yield, it will result in deficit. These are subject to interest rate risk. To offset the risk, the plan assets have been deployed in high grade insurer managed funds.

Inflation rate risk:

Higher than expected increase in salary and medical cost will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligations is not straight forward and depends upon the combination of salary increase, discount rate and vesting criterion.

## 42 REGULATORY DEFERRAL ACCOUNT

	(₹ in Crores)	
	As at 31 March, 2020	As at 31 March, 2019
<b>Regulatory Deferral Account - Liability</b>		
Regulatory Liabilities	504.33	271.56
<b>Regulatory Deferral Account - Assets</b>		
Regulatory Assets	247.73	1105.59
Net Regulatory Assets/(Liabilities)	(256.60)	834.03

### Rate Regulated Activities

- 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.



## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

- MERC Multi Year Tariff Regulations, 2015 (MYT Regulations), is applicable for the period beginning from 1 April, 2016 to 31 March, 2020. 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.
- Reconciliation of Regulatory Assets/Liabilities of distribution business as per Rate Regulated Activities is as follows:

Particulars		(₹ in Crores)	
		As at 31 March, 2020	As at 31 March, 2019
A	Opening Regulatory Assets (Net)	834.03	0.00
<b>Add:</b>			
B	Acquired on Business Combination(Net)	0.00	873.50
C	Income recoverable/(reversible) from future tariff / Revenue Gap for the year		
1	For Current Year	(232.77)	157.59
2	For Earlier Year	0.00	764.50
	<b>Total a ( 1 + 2 )</b>	<b>(232.77)</b>	<b>922.09</b>
<b>Less:</b>			
D	Recovered / (refunded) during the year <sup>^</sup>	857.86	961.56
E	Net Movement during the year ( C - D )	(1090.63)	(39.47)
F	<b>Closing Balance ( A - E )</b>	<b>(256.60)</b>	<b>834.03</b>

<sup>^</sup> Includes ₹ 214.86 Crore recoverable on account of final truing up for FY 2017-18 and FY 2018-19

### 43 FINANCIAL INSTRUMENTS.

#### 1 Fair Values

The carrying value of financial instruments by categories as follows :-

Particulars	31 March, 2020		31 March, 2019	
	Book Value	Fair Value	Book Value	Fair Value
<b>Financial Assets</b>				
Investment				
- Mutual Funds - FVTPL	185.07	185.07	43.55	43.55
- Government Securities	-	-	120.92	120.92
Trade Receivables	552.00	552.00	425.70	425.70
Loans Given	1,670.95	1,670.95	49.69	49.69
Cash and Cash Equivalents	122.70	122.70	91.40	91.40
Other Balances with Bank	502.41	502.41	283.47	283.47
Derivative instruments designated in hedge accounting relationship	799.90	799.90	-	-
Other Financial Assets	610.16	610.16	1,154.12	1,154.12
<b>Total Financial Assets</b>	<b>4,443.19</b>	<b>4,443.19</b>	<b>2,168.85</b>	<b>2,168.85</b>
<b>Financial Liabilities</b>				
Borrowings (Including Interest accrued & Current Maturities) - Fixed Rate	9,888.22	8,545.70	537.89	537.89
Borrowings (Including Interest accrued & Current Maturities) - Floating Rate	1,357.07	1,357.07	9,364.12	9,364.12
Lease Liability obligation	104.02	104.02	-	-
Trade Payables	1,558.61	1,558.61	1,193.07	1,193.07
Derivative instruments designated in hedge accounting relationship	106.54	106.54	-	-
Other Financial Liabilities	718.57	718.57	589.60	589.60
<b>Total Financial Liabilities</b>	<b>13,733.03</b>	<b>12,390.51</b>	<b>11,684.68</b>	<b>11,684.68</b>

Above excludes carrying value of investment in subsidiary accounted at cost in accordance with Ind AS 27.

The management assessed that the fair value of cash and cash equivalents, other balances with bank, trade receivables, loans, trade payables, other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

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 the Govt. securities, mutual funds are based on the price quotations near 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.

- 2 The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels

**Level 1 :**

Inputs are quoted prices (unadjusted) 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.

Particulars	Fair Value Hierarchy as at 31st March, 2020				
	Date of Valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
<b>Asset measured at Fair Value</b>					
FVTPL financial investments - Mutual Funds	31 March, 2020	-	185.07	-	185.07
<b>Derivative instruments designated in hedge accounting relationship</b>					
Derivative financial assets	31 March, 2020	-	799.90	-	799.90
<b>Total</b>		-	984.97	-	984.97
<b>Liabilities measured at fair values</b>					
<b>Derivative instruments designated in hedge accounting relationship</b>					
Derivative financial Liabilities	31 March, 2020	-	106.54	-	106.54
<b>Liabilities for which fair values are disclosed</b>					
Borrowings (Including Interest accrued & Current Maturities) - Fixed Rate	31 March, 2020	6,186.37	2,359.33	-	8,545.70
Borrowings (Including Interest accrued & Current Maturities) - Floating Rate	31 March, 2020	-	1,357.07	-	1,357.07
<b>Total</b>		6,186.37	3,716.40	-	9,902.77

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

Particulars	Fair Value Hierarchy as at 31st March.2019				Total
	Date of Valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Asset measured at Fair Value					
FVTPL financial investments - Mutual Funds	31 March, 2019	-	43.55	-	43.55
Asset for which Fair Value are disclosed					
Amortised Cost financial investments:					
- Government Securities	31 March, 2019	120.92	-	-	120.92
Total		120.92		-	164.47
Liabilities for which fair values are disclosed					
Borrowings (Including Interest accrued & Current Maturities) - Fixed Rate	31 March, 2019	-	537.89	-	537.89
Borrowings (Including Interest accrued & Current Maturities) - Floating Rate	31 March, 2019	-	9,364.12		9,364.12
Total		-	9,902.01	-	9,902.01

There has been no transfer between level 1 and level 2 during the period

### 3 Capital Management & Gearing Ratio

The Group manages its capital structure in a manner to ensure that it will be able to continue as a going concern while optimising the return to stakeholders through the appropriate debt and equity balance. The Group's capital structure is represented by equity (comprising issued capital, retained earnings, Unsecured Perpetual Instrument and other reserves) and debt. The Company's management reviews the capital structure of the Company on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. The Company's objective is to ensure that the gearing ratio (debt equity ratio) is around 70 : 30

#### Gearing ratio

The gearing ratio at the end of the reporting period was as follows :

	₹ in Crores	
	As at 31 March, 2020	As at 31 March, 2019
Debt	11,245.29	9,902.01
Less : Cash and Cash Equivalents	625.11	374.87
<b>Net debt</b>	10,620.18	9,527.14
Total Capital	4,524.33	4,044.17
<b>Capital &amp; net debt</b>	15,144.51	13,571.31
Net debt to Total Capital plus net debt ratio (%)	70.13%	70.20%

- Debt is defined as Non-current borrowings (including current maturities) Interest accrued and Current borrowings.
- Equity is defined as Equity share capital, Unsecured perpetual Instrument and other equity including reserves and surplus.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no significant breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

### 4 Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and 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, investment including mutual funds, trade and other receivables, and cash and cash equivalents which is derived 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 and Liquidity Risk. The Group's senior management oversees the management of these risks. It manages its exposure to these risks through the use of derivative financial instruments for hedging transactions. It uses derivative instruments such as Cross Currency Swaps, Full Currency swaps, Interest rate swaps and foreign currency Future Option contracts 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 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 Central Treasury team ensures appropriate financial risk governance framework for the Company through appropriate policies & procedures and 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 is 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. All derivative contracts are executed with counterparties that are creditworthy. The outstanding derivatives are reviewed periodically to ensure that there is no inappropriate concentration of outstanding to any particular counterparty.

#### A. 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 currency risk. Financial instruments affected by market risk include loans and borrowings. The sensitivity analysis in interest rate and foreign currency risk sections relate to the position as at 31 March, 2020 and 31 March, 2019.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant as at 31 March, 2020 and 31 March, 2019.

#### I. Foreign currency risk

The Group is exposed to foreign currency risks arising from its exposure to the USD. Foreign currency risks arise from future commercial transactions and recognized assets and liabilities, when they are denominated in a currency other than Indian Rupee. Exposures on foreign currency loans are managed through the Group wide hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Group's exposure with regards to foreign currency risk is given below.

The following table shows foreign currency exposures in US Dollar on financial instruments at the end of the reporting period

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

(Refer Note 43 (5))

Particulars	Foreign Currency Exposures			
	As at 31 March, 2020		As at 31 March, 2019	
	Foreign Currency (In Millions)	₹ Crore	Foreign Currency (In Millions)	₹ Crore
<b>In USD</b>				
(i) Interest accrued but not due	8.26	62.48	0.04	0.30
(ii) Buyers Credit	17.61	133.27	8.23	56.88
(iii) Import Creditors and Acceptances	20.65	156.28	11.86	82.00
(iv) Bond	1,000.00	7,566.50	-	-
(v) Shareholders Affiliated Debts	282.00	2,133.75	-	-
(vi) Term Loans from Banks	70.00	529.66	-	-
<b>Derivatives</b>				
(i) Call Options	(582.00)	(4,403.70)	-	-
(ii) Cross Currency Swaps	(470.00)	(3,556.26)	-	-
(iii) Coupon Only Swaps	(5.11)	(38.64)	-	-
(iv) Principal Only Swaps	(300.00)	(2,269.95)	-	-
<b>Total</b>	<b>41.42</b>	<b>313.39</b>	<b>20.13</b>	<b>139.18</b>

### (i) Foreign currency sensitivity analysis

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant on the Company's profit before tax and pre-tax equity is as under:

	Effect on profit before tax and consequential impact on Equity			
	As at 31 March, 2020		As at 31 March, 2019	
	Appreciate	Depreciate	Appreciate	Depreciate
Rupee appreciate / (depreciate) by 1 against USD	4.14	(4.14)	2.01	(2.01)
Rupee appreciate / (depreciate) by 2 against USD	8.28	(8.28)	4.03	(4.03)
Rupee appreciate / (depreciate) by 3 against USD	12.43	(12.43)	6.04	(6.04)

Notes: 1) +/- Gain/Loss

### II. Interest rate risk management

the Company is exposed to interest rate risk on short-term and long-term floating rate borrowings and on the refinancing of fixed rate debt. the Company's policy is to maintain a balance of fixed and floating interest rate borrowings and the proportion of fixed and floating rate debt is determined by current market interest rates. The long term borrowings of the Company are denominated in US dollars with a mix of fixed and floating rates of interest. The short term borrowings of the Company are mainly floating rate rupee denominated working capital borrowings.

The USD floating rate debt is linked to US dollar LIBOR and INR Floating rate debt to Bank's base rate. the Company in respect of USD denominated borrowing at Floating rates, has a policy of selectively using interest rate swaps, option contracts and other derivative instruments to manage its exposure to interest rate movements. These exposures are reviewed by appropriate levels of management on a regular basis.

The long term borrowings of the Company are by way of Senior Secured Notes (SSN) and Shareholder's Affiliated Debts and carry fixed rate of interest till maturity. Foreign currency denominated term loans from banks carry a floating rate interest rate linked to LIBOR. The risk of fluctuation floating interest rate is managed through cross currency swaps contracts.

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

### (i) Interest rate sensitivity:

The sensitivity analysis below have been determined based on exposure to interest rates on borrowings at the end of the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting date in case of borrowings that have floating rates.

If the interest rates had been 50 basis points higher or lower and all the other variables were held constant, the effect on Interest expense for the respective financial years and consequent effect on Company's profit in that financial year would have been as below:

	(₹ in Crores)			
	As of 31 March, 2020		As of 31 March, 2019	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest expense on loan	7.33	(7.33)	35.02	(35.02)
Effect on profit / (loss) before tax	(7.33)	7.33	(35.02)	35.02

### B. Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. the Company is exposed to credit risk from its operating activities (primarily trade receivables and other financial assets) and from its financing activities, including loans to others, deposits with banks, financial institutions & others, foreign exchange transactions and other financial assets.

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk defined in accordance with this assessment.

Credit risk on cash and bank balances is limited as the Company generally invests in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units and quoted bonds issued by government. Counterparty credit limits are reviewed by the Company's management on a regular basis. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

	As at 31 March, 2019	As at 31 March, 2018
Trade receivables	552.00	425.70
Loans	1,670.95	49.69
Other financial assets	1,410.06	1,154.12
<b>Total</b>	<b>3,633.01</b>	<b>1,629.51</b>

Refer Note 12 for credit risk and other information in respect of trade receivables. Moreover, given the diverse nature of the consumer profile of the Group, trade receivables are spread over a number of customers with no significant concentration of credit risk. No single customer accounted for 10.0% or more of revenue basis in any of the years presented. The history of trade receivables shows a negligible provision for bad and doubtful debts compared to the volume/value of sales recorded. Other receivables as stated above are due from the parties / banks under normal course of the business having sound credit worthiness. and as such the Group believes exposure to credit risk to be minimal.

The Group has not acquired any credit impaired asset.

### C. Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value the Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities the Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents the Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.



## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

Contractual Maturities of Financial liabilities	Less than 1 year	1 to 5 years	More than 5 years	Total
<b>As at 31 March, 2020</b>				
Borrowings**	1,116.61	653.25	9,622.32	11,392.18
Trade Payables	1,529.26		29.35	1,558.61
Lease Liabilities	34.34	69.68	-	104.02
Other Financial Liabilities	742.94	82.17	-	825.11
<b>Total</b>	<b>3,423.15</b>	<b>805.10</b>	<b>9,651.67</b>	<b>13,879.92</b>
<b>As at 31 March, 2019</b>				
Borrowings**	2,004.90	2,189.61	5,864.70	10,059.21
Trade Payables	1,171.27		21.80	1,193.07
Lease Liabilities	-		-	-
Other Financial Liabilities	589.60		-	589.60
<b>Total</b>	<b>3,765.77</b>	<b>2,189.61</b>	<b>5,886.50</b>	<b>11,841.88</b>

\*\* 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. 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.

### 5 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 31 March, 2020.

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

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

Derivative Financials Instruments	As at 31 March, 2020		As at 31 March, 2019	
	Assets	Liabilities	Assets	Liabilities
Current				
Cashflow hedge*				
-Call Options	394.48	106.54	-	-
-Cross Currency Swaps	229.32	-	-	-
-Coupon Only Swaps	38.00	-	-	-
-Principal Only Swaps	138.10	-	-	-
<b>Total</b>	<b>799.90</b>	<b>106.54</b>	<b>-</b>	<b>-</b>

\* Refer statement of profit and loss and statement of changes in equity for the changes in the fair value of cashflow hedges

Derivative Contracts entered into by the Company and outstanding as at Balance Sheet date :

To hedge Currency risks and interest related risks, the Company has entered into various derivative Contracts. The category wise break-up of the amount outstanding as at Balance Sheet date is given below :-

Particulars	As at 31 March, 2020			As at 31 March, 2019		
	Foreign Currency (In Millions)	₹ Crore	Purpose	Foreign Currency (In Millions)	₹ Crore	Purpose
<b>In USD</b>						
-Call Options	582.00	4403.70	Hedging of foreign currency borrowing principal & interest liability	-	-	-
-Cross Currency Swaps	470.00	3556.26	Hedging of foreign currency borrowing principal & interest liability	-	-	-
-Coupon Only Swaps	500.00	3783.25	Hedging of foreign currency borrowing interest liability	-	-	-
-Principal Only Swaps	300.00	2269.95	Hedging of foreign currency borrowing principal liability	-	-	-
<b>Total</b>	<b>1,852.00</b>	<b>14,013.16</b>		<b>-</b>	<b>-</b>	<b>-</b>

- 44 The chief operating decision maker evaluates the Group's performance and applies the resources to whole of the Group business viz. "Generation, Transmission and Distribution of Power" as an integrated utility. Hence the Group does not have any reportable segment as per Ind AS- 108 "Operating Segments"

## Notes to Consolidated Financial Statements for the year ended 31 March, 2020 (Contd)

**45** 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 31 March, 2020"	₹	"As % of Consolidated Profit or Loss for the year ended 31 March, 2020"	₹	"As % of Consolidated Other Comprehensive Income for the year ended 31 March, 2020"	₹	"As % of Consolidated Total Comprehensive Income for the year ended 31 March, 2020"	
1	Adani Electricity Mumbai Limited	100.00%	4,524.33	100.00%	50.22	100.00%	(30.31)	100.00%	19.91
	<b>Subsidiaries (Indian)</b>								
2	Adani Electricity Mumbai Infra Limited	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
	<b>Total</b>	100.00%	4,524.34	100.00%	50.22	100.00%	(30.31)	100.00%	19.91
	Less: Adjustment of Consolidation		0.01						
	<b>Consolidated Net Assets / Profit after tax</b>		4,524.33		50.22		(30.31)		19.91

### 46 SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

As per our attached report of even date  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
ICAI Firm Registration Number : 117366WW-100018

**Mohammed Bengali**  
Partner  
Membership No. 105828

Place : Mumbai  
Date : 7 May, 2020

For and on behalf of the Board of Directors  
**ADANI ELECTRICITY MUMBAI LIMITED**

**Anil Sardana**  
Chairman  
DIN: 00006867

**Rakesh Tiwary**  
Chief Financial Officer

Place : Ahmedabad  
Date : 7 May, 2020

**Kandarp Patel**  
Managing Director & CEO  
DIN.: 02947643

**Jaladhi Shukla**  
Company Secretary

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