Preliminary Placement Document
Not for Circulation and Strictly Confidential
Serial Number: _____

The information in this Preliminary Placement Document is not complete and may be changed. The Issue is meant only for Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and is not an offer to the public or to any other class of investors to purchase the Equity Shares. This Preliminary Placement Document is not an offer to sell any Equity Shares and is not soliciting an offer to subscribe to or buy the Equity Shares in any jurisdiction where such offer, sale or subscription is not permitted. This Preliminary Placement Document is being issued for the sole purpose of information or discussion relating to the Equity Shares that may be Allotted pursuant to the Placement Document.

adani
Energy Solutions

ADANI ENERGY SOLUTIONS LIMITED
(FORMERLY KNOWN AS ADANI TRANSMISSION LIMITED)

Registered and Corporate Office: Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad 382 421, Gujarat, India
Tel: +91 079 2555 7555 | **Email:** vijil.jain@adani.com | **Website**: www.adanienergysolutions.com | **CIN**: L40300GJ2013PLC077803

Our Company was incorporated on December 9, 2013 as a public limited company under the Companies Act, 1956 as amended pursuant to a certificate of incorporation issued by the Registrar of Companies, Gujarat at Ahmedabad ("**RoC**"). Our Company received the certificate of commencement of business from the RoC on December 17, 2013. Pursuant to the approval accorded by our Shareholders on July 19, 2023, the name of our Company was changed to "Adani Energy Solutions Limited" and a fresh certificate of incorporation consequent upon change of name was issued to our Company by the RoC on July 27, 2023. For details, see "***General Information***" on page 241.

Issue of up to [●] equity shares of face value of ₹10 each (the "**Equity Shares**") at a price of ₹ [●] per Equity Share (the "**Issue Price**"), including a premium of ₹ [●] per Equity Share, aggregating to approximately ₹ [●] crore (the "**Issue**"). For further details, see "***Summary of the Issue***" on page 29.

THIS ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED ("THE "COMPANIES ACT, 2013"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES") AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER AND NO OFFER IS BEING MADE TO THE PUBLIC OR ANY OTHER CLASS OF INVESTORS.

Our Company's outstanding Equity Shares are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on BSE and NSE as on July 29, 2024 was ₹ 1,052.25 and ₹ 1,051.95 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI Listing Regulations**") for listing of the Equity Shares to be issued pursuant to the Issue, from BSE and NSE each dated July 30, 2024. Our Company shall make applications to the Stock Exchanges for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE.

A draft of this Preliminary Placement Document, which includes disclosures prescribed under Form PAS-4 (as defined hereinafter), has been delivered to the Stock Exchanges. A copy of the Placement Document (which shall also include disclosures prescribed under Form PAS-4) shall be delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. This Preliminary Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Stock Exchanges, the RoC or any other regulatory or listing authority, and is intended only for use by Eligible QIBs (as defined hereinafter). This Preliminary Placement Document has not been and shall not be registered as a prospectus with the RoC, shall not be circulated or distributed to the public in India or any other jurisdiction, and the Issue shall not constitute a public offer in India or any other jurisdiction.

THE ISSUE AND DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBs IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013 AND THE RULES PRESCRIBED THEREUNDER, AND CHAPTER VI OF THE SEBI ICDR REGULATIONS. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBS. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO: (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE COMPANIES ACT, 2013, SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "*RISK FACTORS*" ON PAGE 40 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT. PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND THE COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORIZED FINANCIAL ADVISOR.

Invitations, offers and sales of Equity Shares to be issued pursuant to the Issue shall only be made pursuant to this Preliminary Placement Document, together with the Application Form, the Placement Document and the Confirmation of Allocation Note (each as defined herein). For further details, see "***Issue Procedure***" on page 189. The distribution of this Preliminary Placement Document or the disclosure of its contents without our Company's prior consent to any person other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold by our Company (a) in the United States only to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act ("**Rule 144A**") and referred to in this Preliminary Placement Document as a "**U.S. QIB**") in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (b) outside the United States, in offshore transactions, in reliance on Regulation S under the Securities Act ("**Regulation S**") and the applicable laws of the jurisdictions where those offers and sales occur. For further information, see "***Distribution and Solicitation Restrictions***" and "***Transfer Restrictions***" on pages 202 and 209, respectively. For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Preliminary Placement Document as "QIBs".

The information on our websites, any website directly or indirectly linked to our websites or on the respective websites of the Book Running Lead Managers (as defined hereinafter) or of their respective affiliates does not form part of this Preliminary Placement Document and prospective investors should not rely on any such information contained in or available through any such websites for their investment in this Issue.

This Preliminary Placement Document is dated July 30, 2024.

BOOK RUNNING LEAD MANAGERS

SBICAPS Complete Investment Banking Solutions	Jefferies	ICICI Securities
SBI Capital Markets Limited	**Jefferies India Private Limited**	**ICICI Securities Limited**

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Preliminary Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to our Company and its Subsidiaries, and the Equity Shares, which we consider material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to our Company and its Subsidiaries, and the Equity Shares are in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to our Company and its Subsidiaries, and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to our Company. There are no other facts in relation to our Company and its Subsidiaries, and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements.

SBI Capital Markets Limited, Jefferies India Private Limited and ICICI Securities Limited (the "**Book Running Lead Managers**") have not separately verified the information contained in this Preliminary Placement Document (financial, legal, or otherwise). Accordingly, neither the Book Running Lead Managers, nor any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information supplied in connection with our Company and its Subsidiaries, and the Issue of the Equity Shares or their distribution. Each person receiving this Preliminary Placement Document acknowledges that such person has not relied on the Book Running Lead Managers or on any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company and its Subsidiaries, and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company, or by or on behalf of the Book Running Lead Managers. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The information contained in this Preliminary Placement Document has been provided by our Company and other sources identified herein. The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs specified by the Book Running Lead Managers or their respective representatives, and those retained by Eligible QIBs to advise them with respect to their subscription of the Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The distribution of this Preliminary Placement Document and the issue of the Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Preliminary Placement Document does not constitute, and may not be used for, or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company and the Book Running Lead Managers which would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document, nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For further details, see "*Distribution and Solicitation Restrictions*" and "*Transfer Restrictions*" on pages 202 and 209, respectively.

In making an investment decision, the prospective investors must rely on their own examination of our Company, its Subsidiaries, Joint Venture and associates, as applicable and the Equity Shares and the terms of the Issue, including the merits and risks involved. The prospective investor should not construe the contents of this Preliminary Placement Document as legal, tax, accounting or investment advice. The prospective investors should consult their own counsels and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the Book Running Lead Managers are making any representation to any investor, purchaser, offeree or subscriber to the Equity Shares in relation to this Issue regarding the legality or suitability of an investment in the Equity Shares by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations. The prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company.

Each investor, purchaser, offeree or subscriber of the Equity Shares is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in our Company as set forth in "*Representations by Investors*", "*Distribution and Solicitation Restrictions*" and "*Transfer Restrictions*" on pages 6, 202 and 209, respectively, and under Indian law, including under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013, read with Rule 14 of the PAS Rules and that it is not prohibited by SEBI or any other statutory, regulatory or judicial authority in India or any other jurisdiction from buying, selling or dealing in the securities including the Equity Shares or otherwise accessing the capital markets in India. Each subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

This Preliminary Placement Document contains summaries of certain terms of documents, which summaries are qualified in their entirety by the terms and conditions of such documents.

The information on our Company's website, www.adanienergysolutions.com, any website directly and indirectly linked to the website of our Company or on the website of the Book Running Lead Managers and of their respective affiliates, does not constitute nor form part of this Preliminary Placement Document. The prospective investors should not rely on any such information contained in, or available through, any such websites.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Equity Shares have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including the United States Securities and Exchange Commission ("**SEC**"), any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary may be a criminal offence in certain jurisdictions.

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Preliminary Placement Document or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Issue, including the merits and risks involved. The Equity Shares have not been and will not be registered under the Securities Act, or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to U.S. QIBs in transactions exempt from or not subject to the registration requirements of the Securities Act and (b) outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares are transferable only in accordance with the restrictions described under the sections "*Distribution and Solicitation Restrictions*" and "*Transfer Restrictions*" on pages 202 and 209, respectively.

The Equity Shares are transferable only in accordance with the restrictions described under "*Distribution and Solicitation Restrictions*" in this Preliminary Placement Document. Purchasers of the Equity Shares will be deemed to make the representations, warranties, acknowledgements and agreements set forth in "*Representations by Investors*", "*Distribution and Solicitation Restrictions*" and "*Transfer Restrictions*" on pages 6, 202 and 209, respectively of this Preliminary Placement Document.

This Preliminary Placement Document is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider subscribing for the particular securities described herein. The information contained in this Preliminary Placement Document has been provided by our Company and other sources identified herein. Distribution of this Preliminary Placement Document to any person other than the offeree specified by the Lead Managers or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorized, and any disclosure of its contents, without prior written consent of our Company, is prohibited. Any reproduction or distribution of this Preliminary Placement Document in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited.

Our Company is not subject to the periodic reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Securities Exchange Act**"). In order to permit compliance with Rule 144A under the U.S. Securities Act in connection with resales of the Equity Shares, our Company agrees to furnish upon request of a holder of its Equity Shares, or any prospective purchaser designated by such holder, the information required to be delivered under Rule 144A(d)(4) of the U.S. Securities Act if at the time of such request our Company is not a reporting company under Section 13 or Section 15(d) of the U.S. Securities Exchange Act, or is not exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

This Preliminary Placement Document has been prepared on the basis that all offers of Equity Shares will be made pursuant to an exemption under the Prospectus Regulation (*as defined below)* from the requirement to produce a prospectus for offers of Equity Shares. The expression "Prospectus Regulation" means Regulation (EU) 2017/1129, as applicable in the Relevant Member State (as defined below) (each a "**Member State**"). Accordingly, any person making or intending to make an offer to the public within the European Economic Area ("**EEA**") of Equity Shares which are the subject of the placement contemplated in this Preliminary Placement Document should only do so in circumstances in which no obligation arises for our Company or any of the Book Running Lead Managers to produce a prospectus for such offer. Neither our Company nor the Book Running Lead Managers have authorised, nor do they authorise, the making of any offer of the Equity Shares through any financial intermediary, other than the offers made by the Book Running Lead Managers which constitute the final placement of Equity Shares contemplated in this Preliminary Placement Document.

For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the Offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares.

Information to EEA Distributors (*as defined below*)

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Equity Shares have been subject to a product approval process, which has determined that such Equity Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, "distributors" (for the purposes of the MiFID II Product Governance Requirements) ("**EEA Distributors**") should note that: the price of the Equity Shares may decline and investors could lose all or part of their investment; the Equity Shares offer no guaranteed income and no capital protection; and an investment in the Equity Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Book Running Lead Managers will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Equity Shares. Each EEA Distributor is responsible for undertaking its own target market assessment in respect of the Equity Shares and determining appropriate distribution channels.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

This Preliminary Placement Document has been prepared on the basis that all offers to the public of Equity Shares will be made pursuant to an exemption under the UK Prospectus Regulation from the requirement to produce a prospectus for offers of Equity Shares. The expression "UK Prospectus Regulation" means Prospectus Regulation (EU) 2017/1129, as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"). Accordingly, any person making or intending to make an offer to the public within the United Kingdom of Equity Shares which are the subject of the placement contemplated in this Preliminary Placement Document should only do so in circumstances in which no obligation arises for our Company or any of the Book Running Lead Managers to produce a prospectus for such offer. Neither our Company nor the Book Running Lead Managers have authorised, nor do they authorize, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the Members of the Syndicate which constitute the final placement of Equity Shares contemplated in this Preliminary Placement Document.

For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares.

Information to UK Distributors

Solely for the purposes of the product governance requirements contained within the FCA Handbook Product Intervention and Product Governance Sourcebook ("**PROD**") (the "**UK MiFIR Product Governance Rules**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any 'manufacturer' (for the purposes of the UK Product Governance Rules) may otherwise have with respect thereto, the Equity Shares have been subject to a product approval process, which has determined that such Equity Shares are: (i) compatible with an end target market of: (a) investors who meet the criteria of professional clients as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; (b) eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"); and (c) retail clients who do not meet the definition of professional client under (b) or eligible counterparty per (c); and (ii) eligible for distribution through all distribution channels (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors (for the purposes of the UK MiFIR Product Governance Rules) ("**UK Distributors**") should note that: the price of the Equity Shares may decline and investors could lose all or part of their investment; the Equity Shares offer no guaranteed income and no capital protection; and an investment in the Equity Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Book Running Lead Managers will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of COBS 9A and COBS 10A respectively; or (b) a recommendation to any investor or group of investors to invest in, or purchase or take any other action whatsoever with respect to the Equity Shares. Each UK Distributor is responsible for undertaking its own target market assessment in respect of the Equity Shares and determining appropriate distribution channels.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe to or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information to investors in certain other jurisdictions, see "*Distribution and Solicitation Restrictions*" and "*Transfer Restrictions*" on pages 202 and 209, respectively.

REPRESENTATIONS BY INVESTORS

All references to "you" and "your" in this section are to the prospective investors in the Issue. By Bidding for and/or subscribing to any Equity Shares under the Issue, you are deemed to have represented, warranted, acknowledged and agreed to our Company and the Book Running Lead Managers, as follows:

1. You are a "**Qualified Institutional Buyer**" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013 and all other applicable laws; and (ii) comply with all requirements under applicable law in this relation, including reporting obligations, requirements/ making necessary filings, if any, in connection with the Issue;

2. That you are eligible to invest in India under applicable law, including the FEMA Rules (as defined hereinafter), and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or otherwise accessing capital markets in India;

3. If you are not a resident of India, but a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office) having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable law, including the FEMA Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets. You confirm that you are not an FVCI or a non-resident multilateral and bilateral development financial institution. You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws. You are eligible to invest in and hold the Equity Shares of our Company in accordance with the Consolidated FDI Policy and FEMA Rules, read along with the press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the related amendments to the FEMA Rules. You confirm that neither is your investment as an entity from a country which shares a land border with India nor is the beneficial owner of your investment situated in or is a citizen of such country (in each which case, investment can only be through the Government approval route);

4. You will provide the information as required under the Companies Act, 2013 and the PAS Rules for record keeping by our Company, including your name, nationality, complete address, phone number, e-mail address, permanent account number and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue;

5. If you are Allotted Equity Shares pursuant to the Issue, you shall not, for a period of one year from the date of Allotment (hereinafter defined), sell the Equity Shares so acquired except on the floor of the Stock Exchanges. Please note additional requirements apply if you are within the United States. For details, see "*Distribution and Solicitation Restrictions*" and "*Transfer Restrictions*" on pages 202 and 209, respectively;

6. You are aware that this Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC under the Companies Act, 2013, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. This Preliminary Placement Document has not been reviewed, verified or affirmed by SEBI, the RBI, the RoC, the Stock Exchanges or any other regulatory or listing authority and is intended only for use by Eligible QIBs. This Preliminary Placement Document has been filed (and the Placement Document shall be filed) with the Stock Exchanges for record purposes only and be displayed on the websites of our Company and the Stock Exchanges;

7. You are entitled to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions applicable to you and that you have fully observed such laws and you have all necessary capacity and have obtained all necessary consents and authorities, as may be required and complied and shall comply with all necessary formalities to enable you to participate in the Issue and to perform your obligations in relation thereto (including without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorizations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;

8. Neither our Company, the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment of the Equity Shares, be a client of the Book Running Lead Managers. Neither the Book Running Lead Managers nor any of their respective shareholders, directors,

officers, employees, counsels, representatives, agents or affiliates has any duty or responsibility to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity;

9. All statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Preliminary Placement Document. None of our Company, the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates assumes any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

10. You are aware that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category of investors other than the Eligible QIBs and the Allotment shall be on a discretionary basis at the discretion of our Company in consultation with the Book Running Lead Managers;

11. You have made, or been deemed to have made, as applicable, the representations, warranties, acknowledgments and undertakings as set out under "*Distribution and Solicitation Restrictions*" and "*Transfer Restrictions*" on pages 202 and 209, respectively;

12. You have been provided a serially numbered copy of this Preliminary Placement Document, and have read it in its entirety, including in particular the "*Risk Factors*" on page 40;

13. In making your investment decision, you have (i) relied on your own examination of our Company, its Subsidiaries, Joint Venture and associates, as applicable, and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of our Company its Subsidiaries and associates, as applicable, and the Equity Shares and the terms of the Issue based on such information as is publicly available, (iii) consulted your own independent counsels and advisors or otherwise have satisfied yourself concerning, the effects of local laws (including tax laws), (iv) relied solely on the information contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, (v) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares, and (vi) relied upon your own investigation and resources in deciding to invest in the Issue;

14. Neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, has provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including the Issue and the use of proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, when evaluating the tax consequences in relation to the purchase, ownership and disposal of the Equity Shares (including, in relation to the Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against, either of the Book Running Lead Managers or any of their shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

15. You are a sophisticated investor and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares and you and any managed accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company and/or the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute;

16. If you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorized in writing, by each such managed account to acquire the Equity Shares for each managed account and to make (and you hereby make) the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to 'you' to include such accounts;

17. You are not a 'promoter' of our Company (as defined under the SEBI ICDR Regulations or the Companies Act, 2013), and are not a person related to any of the Promoters, either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent any Promoter or Promoter Group (as defined under the SEBI ICDR Regulations) of our Company or persons or entities related thereto;

18. You have no rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on our Board of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares (a QIB who does not hold any Equity Shares and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to our Promoters);

19. You have no right to withdraw your Bid or revise your Bid downwards after the Issue Closing Date (as defined herein);

20. You are eligible to Bid for and hold Equity Shares so Allotted together with any Equity Shares held by you prior to the Issue. You further confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

21. The Bid made by you would not ultimately result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("**SEBI Takeover Regulations**");

22. To the best of your knowledge and belief, your aggregate holding, together with other Eligible QIBs in the Issue that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:

    a. Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary or holding company and any other QIB ; and

    b. 'Control' shall have the same meaning as is assigned to it under the SEBI Takeover Regulations;

23. You shall be able to undertake trade in the Equity Shares Allotted pursuant to the Issue once such Equity Shares are credited to your beneficiary account with the Depository Participant;

24. You are aware that (i) applications for in-principle approval, in terms of Regulation 28 of the SEBI Listing Regulations, for listing and admission of the Equity Shares and for trading on the Stock Exchanges, were made and approval has been received from each of the Stock Exchanges, and (ii) final applications will be made for obtaining listing and trading approvals from the Stock Exchanges only after Allotment, and that there can be no assurance that such approvals will be obtained on time or at all. Neither our Company nor the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising therefrom;

25. You shall not undertake any trade in the Equity Shares credited to your beneficiary account with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

26. You are aware that in terms of the requirements of the Companies Act, 2013, upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Managers;

27. You agree in terms of Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules, that our Company shall make necessary filings with the RoC as may be required under the Companies Act, 2013;

28. You acknowledge that this Preliminary Placement Document does not, and the Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

29. You are aware that if you, together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in this Issue, our Company shall be required to disclose the name of such Allottees and the number of Equity Shares Allotted to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures being made by our Company;

30. You are aware and understand that the Book Running Lead Managers have entered into a placement agreement with our Company, whereby the Book Running Lead Managers have, subject to the satisfaction of certain conditions set out therein, severally and not jointly, undertaken to use their reasonable efforts to seek to procure subscription for the Equity Shares on the terms and conditions set out therein;

31. The contents of this Preliminary Placement Document are exclusively the responsibility of our Company and that neither the Book Running Lead Managers nor any person acting on their behalf or any of the counsels or advisors to the Issue has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, and you have neither received nor relied on any other information, representation, warranty or statement made by, or on behalf of, the Book Running Lead Managers or our Company or any other person and neither the Book Running Lead Managers nor our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them and the Book Running Lead Managers and their respective affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

32. Neither the Book Running Lead Managers nor any of their respective affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise;

33. You are a sophisticated investor who is seeking to purchase the Equity Shares for your own investment and not with a view to distribute. You acknowledge that (i) an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment, (ii) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the purchase of the Equity Shares, and (iii) you are experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions and have such knowledge and experience in financial, business and investments matters that you are capable of evaluating the merits and risks of your investment in the Equity Shares;

34. You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act, 2013;

35. Either (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents with regard to our Company or this Issue ("**Company Presentation**"); or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Book Running Lead Managers may not have the knowledge of the statements that our Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such Company Presentation included any material misstatements or omissions, and, accordingly you acknowledge that Book Running Lead Managers have advised you not to rely in any way on any such information that was provided to you at such Company Presentation, and (b) you confirm that, to the best of your knowledge, you have not been provided any material or price sensitive information that was not publicly available;

36. You understand that the Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state securities laws. For more information, see "*Distribution and Solicitation Restrictions*" on page 202;

37. You understand that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the Equity Shares have not been and will not be registered under the Securities Act or under the securities laws of any state or other jurisdiction of the United States and accordingly, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the Securities Act;

38. If you are within the United States, you are a U.S. QIB, who is or are acquiring the Equity Shares for your own account or for the account of an institutional investor who also meets the definition of a U.S. QIB under Rule 144A of the Securities Act, for investment purposes only, and not with a view to, or for reoffer or resale in connection with, the distribution (within the meaning of any United States securities laws) thereof in whole or in part, and are not an affiliate of our Company or a person acting on behalf of such an affiliate;

39. If you are outside the United States, you are subscribing for the Equity Shares in an offshore transaction within the meaning of Regulation S under the Securities Act, and are not currently our Company's or the Book Running Lead Managers' affiliate or a person acting on behalf of such an affiliate;

40. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described under the sections "*Distribution and Solicitation Restrictions*" and "*Transfer Restrictions*" on pages 202 and 209, respectively. Particularly, you represent and agree that you will only reoffer, resell, pledge or otherwise transfer the Equity Shares only (A) (i) to a person whom the beneficial owner and/ or any person acting on its behalf reasonably believes is a U.S. QIB in transactions meeting the requirements of Rule 144A or another exemption from the registration requirements of the Securities Act or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act and (B) in accordance with all applicable laws, including the securities laws of the states of the United States;

41. You are not acquiring or subscribing for the Equity Shares as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the Securities Act) or "directed selling efforts" (as defined in Regulation S) and you understand and agree that offers and sales in the United States are being made in reliance on an exemption from the registration requirements of the Securities Act provided by Section 4(a)(2) of the Securities Act or Regulation S or another available exemption from the registration under the Securities Act. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in *"Distribution and Solicitation Restrictions" and "Transfer Restrictions"* on pages 202 and 209, respectively;

42. You understand that the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resale of any such Equity Shares;

43. You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each which case, investment can only be through the Government approval route), and that your investment is in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and Rule 6 of the FEMA Rules;

44. Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue. You agree to indemnify and hold our Company and the Book Running Lead Managers and their respective affiliates and their respective directors, officers, employees and controlling persons harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

45. Our Company, the Book Running Lead Managers, their respective affiliates, directors, officers, employees and controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Book Running Lead Managers on its own behalf and on behalf of our Company, and are irrevocable; and

46. You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Mumbai, India shall have sole and exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document and the Placement Document.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended ("**SEBI FPI Regulations**"), FPIs including the affiliates of the Book Running Lead Managers, who are registered as category I FPI can issue, subscribe and deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) (all such offshore derivative instruments are referred to herein as "**P-Notes**") and persons who are eligible for registration as category I FPIs can subscribe to or deal in such P-Notes, provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned category I FPIs may receive compensation from the purchasers of such instruments. Such P-Notes can be issued post compliance with the KYC norms and such other conditions as specified by SEBI from time to time. P-Notes have not been, and are not being offered, or sold pursuant to this Preliminary Placement Document or the Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-notes, including, without limitation, any information regarding any risk factors relating thereto.

For further details relating to investment limits of FPIs, see "*Issue Procedure*" on page 189. P-Notes may be issued only in favour of those entities which meet the eligibility criteria as laid down in Regulation 4 of the SEBI FPI Regulations. Pursuant to its circular dated June 10, 2016, SEBI has introduced additional requirements applicable to P-Notes, including (i) KYC norms for issuers of P-Notes which require identification and verification of beneficial owners of entities subscribing to the P-Note holding more than a prescribed threshold; (ii) the requirement for issuers to file suspicious transaction reports with the Indian Financial Intelligence Unit; and (iii) the requirement for the issuer to report details of intermediate transfers in the monthly reports on P-Notes submitted to SEBI. An Eligible FPI shall also ensure that no further issue or transfer of any instrument referred to above is made by or on behalf of it to any person other than such entities regulated by appropriate foreign regulatory authorities. P-Notes have not been, and are not being offered, or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-notes, including, without limitation, any information regarding any risk factors relating thereto.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than fifty per cent or common control, shall be treated as part of the same investor group and the investment limits of all such entities shall be clubbed at the investment limit as applicable to a single foreign portfolio investor) is not permitted to be 10% or above of our post-Issue Equity Share capital. As per the SEBI circular dated November 5, 2019, these investment restrictions shall also apply to subscribers of offshore derivative instruments. Two or more subscribers of offshore derivative instruments having a common beneficial owner shall be considered together as a single subscriber of the offshore derivative instruments. In the event a prospective investor has investments as a FPI and as a subscriber of offshore derivative instruments, these investment restrictions shall apply on the aggregate of the FPI and offshore derivative instruments investments held in the underlying company.

Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the Book Running Lead Managers do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Book Running Lead Managers and do not constitute any obligations of or claims on the Book Running Lead Managers.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

Also see "*Distribution and Solicitation Restrictions*" and "*Transfer Restrictions*" on pages 202 and 209, respectively.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of this Preliminary Placement Document has been submitted to each of the Stock Exchanges. The Stock Exchanges do not in any manner:

(1) warrant, certify or endorse the correctness or completeness of the contents of this Preliminary Placement Document;

(2) warrant that the Equity Shares issued pursuant to the Issue will be listed or will continue to be listed on the Stock Exchanges; or

(3) take any responsibility for the financial or other soundness of our Company, its promoters, its management or any scheme or project of our Company;

and it should not for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investors', 'prospective investors' and 'potential investor' are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to the Issue, references to the 'Company' or the 'Issuer' are to Adani Energy Solutions Limited and references to 'we', 'us' or 'our' are to Adani Energy Solutions Limited together with its Subsidiaries, on a consolidated basis.

In this Preliminary Placement Document, references to 'INR', '₹', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of India, and references to 'USD', 'U.S. Dollars' and 'US$' are to the legal currency of the United States. All references herein to 'India' are to the Republic of India and its territories and possessions and the 'Government' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable. All references herein to the 'US' or the 'U.S.' or the 'United States' or the 'USA' are to the United States of America and its territories and possessions.

Our Company has presented certain numerical information in this Preliminary Placement Document in "crore" units. One crore represents 1,00,00,000, ten crore represents 10,00,00,000, hundred crore represents 1,00,00,00,000 and thousand crore represents 10,00,00,00,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than crore, such figures appear in this Preliminary Placement Document in such denominations as provided in the respective sources. Our financials are prepared in crore for the quarter ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022.

In this Preliminary Placement Document, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Financial Statements in decimals have been rounded off to the two-decimal place. All figures derived from the operational data in decimals have been rounded off to one decimal place. Due to such rounding off, in certain instances, the sum or percentage change of such numbers may not conform exactly to the total figure given. However, where any figures may have been sourced from third-party industry sources, such figures may be rounded off to such number of decimal places as provided in such respective sources. Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Financial and Other Information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to a particular 'financial year', 'Fiscal Year' or 'FY' are to the twelve month period ended on March 31 of that year and references to a particular 'year' are to the calendar year ending on December 31 of that year.

Our Company reports its financial statements in Indian Rupees.

Our consolidated unaudited quarterly financial results for the quarter ended June 30, 2024 along with limited review report dated July 25, 2024, audited consolidated financial statements for the Financial Year ended March 31, 2024 prepared in accordance with the Ind AS and as per Ind AS Rules notified under Section 133 of the Companies Act, 2013 together with the report dated April 30, 2024, issued by our Statutory Auditors and the audited consolidated financial statements for the Financial Year ended March 31, 2023 and March 31, 2022, prepared in accordance with the Ind AS and as per Ind AS Rules notified under Section 133 of the Companies Act, 2013, together with their respective reports issued by our Previous Statutory Auditors have been included in this Preliminary Placement Document.

Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including IFRS and US GAAP and the reconciliation of the financial information to other accounting principles has not been provided. No attempt has been made to explain those differences or quantify their impact on the financial data included in this Preliminary Placement Document and investors should consult their own advisors regarding such differences and their impact on our Company's financial data. The degree to which the financial information included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act, 2013 and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act, 2013, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited. For risks relating to significant differences between Ind AS and other accounting principles, see "*Risk Factors – Differences exist between Ind AS and other accounting principles, such as IFRS and U.S. GAAP, which may be material to investors' assessments of our financial condition, result of operations and cash flows.*" on page 67.

Certain non-GAAP measures such as EBITDA and EBITDA margin ("**Non-GAAP Measures**") presented in this Preliminary Placement Document are a supplemental and useful measure of our business, performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not standardised terms, hence a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance.

INDUSTRY AND MARKET DATA

Unless otherwise indicated, industry and market data used throughout this Preliminary Placement Document has been obtained or derived from the report titled '*Power transmission and distribution, and smart metering'* dated May, 2024 issued by CRISIL, appointed by our Company pursuant to an engagement letter dated March 21, 2024 and such report has been exclusively commissioned and paid for by our Company and is available on our Company's website at www.adanienergysolutions.com, for the purpose of understanding the industry in connection with the Issue.

Information regarding market position, growth rates and other industry data pertaining to our businesses contained in this Preliminary Placement Document consists of estimates based on data and reports compiled by government bodies, professional organizations, industry publications and analysts, data from other external sources and knowledge of the markets in which we compete. The statistical information included in this Preliminary Placement Document relating to the various sectors in which we operate has been reproduced from various trade, industry and regulatory/ government publications and websites, more particularly described in "*Industry Overview*" on page 119.

This data in the CRISIL Report is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – Industry data in this document is derived from the CRISIL Report commissioned by and paid for us for such purpose. The CRISIL Report is not exhaustive and is based on certain assumptions, parameters and conditions. The data and statistics in the CRISIL Report may be inaccurate, incomplete or unreliable.*" on page 66.

Neither our Company, nor the Book Running Lead Managers have independently verified this data and make any representation regarding the accuracy or completeness of such data. Similarly, while we believe that our internal estimates are reasonable, such estimates have not been verified by any independent sources, and neither our Company nor the Book Running Lead Managers can assure potential investors as to their accuracy.

The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Accordingly, investment decisions should not be based solely on such information.

The CRISIL Report is subject to the following disclaimer:

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FORWARD-LOOKING STATEMENTS

This Preliminary Placement Document contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "are likely", "believe", "continue", "can", "could", "expect", "estimate", "intend", "may", "likely", "objective", "plan", "propose", "project", "seek", "shall", "will", "will achieve", "will continue", "will likely", "will pursue" or other words or phrases of similar import. The forward-looking statements appear in a number of places throughout this Preliminary Placement Document and include statements that describe our strategies, objectives, plans or goals, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. All statements in this Preliminary Placement Document that are not statements of historical fact are 'forward–looking statements'.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- inability to secure required approvals, permits or licenses due to changes to the regulatory environment and the laws, rules and directives of the Government of India;
- risk of failure to compete effectively while bidding for projects under the smart metering and TBCB scheme;
- risk from changes to current tariff policies or modifications of tariffs standards by regulatory authorities;
- risk of delay in payments of monthly transmission charges to the CTU or an STU, delay in recovery or non-recovery of our receivables due from Government and other public bodies for our distribution business; and
- risk of any reduction in demand for electricity affecting customer usage.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed in "*Risk Factors*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 40, 119, 143 and 98, respectively. As a result, actual gains or losses could materially differ from those that have been estimated.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, any future gains, losses or impact on net income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure the prospective investors that such expectations will prove to be correct. Given these uncertainties, the prospective investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and our Company or the Book Running Lead Managers undertake no obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability company incorporated under the laws of India. Except for our Director, Lisa Caroline MacCallum, who is a citizen of Australia, all the Directors, Key Managerial Personnel and Senior Management of our Company named herein are resident citizens of India and a substantial portion of the assets of our Company and of such persons are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to affect service of process upon our Company or such persons in India, or to enforce against them judgments of courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Civil Procedure Code. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except:

(a) where the judgment has not been pronounced by a court of competent jurisdiction;

(b) where the judgment has not been given on the merits of the case;

(c) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;

(d) where the proceedings in which the judgment was obtained were opposed to natural justice;

(e) where the judgment has been obtained by fraud; and

(f) where the judgment sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. Under Section 14 of the Civil Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards. The execution of a foreign decree under Section 44A of the Civil Procedure Code is also subject to the exception under Section 13 of the Civil Procedure Code as mentioned above.

Each of the United Kingdom, Singapore, United Arab Emirates and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a new suit upon the foreign judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws. We cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. Our Company and the Book Running Lead Managers cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATES

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per USD). No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

On July 29, 2024, the exchange rate (the RBI reference rate) was ₹ 83.73 to USD 1. (*Source:* www.rbi.org.in)

(₹ per USD)

	Period end(1)	**Average(2)**	**High(3)**	**Low(4)**
Fiscal:				
2024	83.37	82.79	83.40	81.65
2023	82.22	80.38	83.20	75.39
2022	75.81	74.53	76.92	72.48
Month ended:				
June 30, 2024	83.45	83.47	83.59	83.07
May 31, 2024	83.30	83.39	83.52	83.08
April 30, 2024	83.52	83.41	83.52	83.23
March 31, 2024	83.37	83.00	83.37	82.68
February 29, 2024	82.92	82.96	83.09	82.84
January 31, 2024	83.08	83.12	83.33	82.85

(Source: https://www.fbil.org.in)

(1) The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods;
(2) Average of the official rate for each Working Day of the relevant period;
(3) Maximum of the official rate for each Working Day of the relevant period; and
(4) Minimum of the official rate for each Working Day of the relevant period.

Notes:

- *If the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous Working Day have been disclosed.*
- *The RBI reference rates are rounded off to two decimal places.*

DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein.

The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader/ prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder. Further any references to any agreement, document, statute, rules, guidelines, regulations or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "*Taxation*", "*Industry Overview*", "*Financial Information*" *and* "*Legal Proceedings*" *on pages 222, 119, 242 and 232, respectively, shall have the meaning given to such terms in such sections*.

General Terms

Term	Description
"our Company", "the Company", "the Issuer"	Adani Energy Solutions Limited (*formerly known as Adani Transmission Limited*), a public limited company incorporated under the Companies Act, 1956 and having its Registered and Corporate Office at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad 382 421, Gujarat, India
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries, on a consolidated basis as on the date of this Preliminary Placement Document

Company Related Terms

Term	Description
AEML	Adani Electricity Mumbai Limited
AIMSL	Adani Infrastructure Management Services Limited
"Articles" or "Articles of Association"	Articles of association of our Company, as amended from time to time
Audit Committee	Audit committee of our Company as disclosed in "*Board of Directors and Senior Management*" on page 176
"Auditors" or "Statutory Auditors" or "Independent Auditors"	The current statutory auditors of our Company, namely, Walker Chandiok & Co LLP, Chartered Accountants
"Board of Directors" or "Board" or "our Board"	The board of directors of our Company or any duly constituted committee thereof, as the context may require
Consolidated Unaudited Quarterly Financial Results	Our consolidated unaudited quarterly financial result for the quarter ended June 30, 2024 prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the Listing Regulations.
Corporate Social Responsibility Committee	Corporate social responsibility committee of our Company as disclosed in "*Board of Directors and Senior Management*" on page 176
CRISIL	CRISIL Limited
CRISIL Report	Report titled "*Power transmission and distribution, and smart metering*" dated May, 2024, issued by CRISIL, which is exclusively prepared for the purpose of the Issue and is commissioned and paid for by our Company. CRISIL was appointed pursuant to an engagement letter dated March 21, 2024. The CRISIL Report is available on the website of our Company at www.adanienergysolutions.com
Directors	The directors of our Company
Equity Shares	Equity shares having a face value of ₹10 each of our Company
Financial Statements	Consolidated Unaudited Quarterly Financial Results, Fiscal 2024 Audited Consolidated Financial Statements, Fiscal 2023 Audited Consolidated Financial Statements and Fiscal 2022 Audited Consolidated Financial Statements
Fiscal 2024 Audited Consolidated Financial Statements	Our audited consolidated financial statements for Fiscal 2024 prepared in accordance with the Ind AS and Companies Act, 2013 together with the report dated April 30, 2024 issued by our Statutory Auditors
Fiscal 2023 Audited Consolidated Financial Statements	Our audited consolidated financial statements for Fiscal 2023 prepared in accordance with the Ind AS and Companies Act, 2013 together with the report dated May 29, 2023 issued by our Previous Statutory Auditors

Term	Description
Fiscal 2022 Audited Consolidated Financial Statements	Our audited consolidated financial statements for Fiscal 2022 prepared in accordance with the Ind AS and Companies Act, 2013 together with the report dated May 5, 2022 issued by our Previous Statutory Auditors
Gross Proceeds	The gross proceeds of the Issue that will be available to our Company
Independent Director	A non-executive, independent Director appointed as per the Companies Act, 2013 and the SEBI Listing Regulations
"JV" or "Joint Venture"	Joint venture of our Company, being Adani-LLC JV
Key Management Personnel	Key managerial personnel shall have the meaning as set out under Regulation 2(1)(bb) of the SEBI ICDR Regulations. For details, see the section titled "*Board of Directors and Senior Management*" on page 176
Management Committee	A management committee of our Company, duly constituted by the Board
Material Subsidiaries	Adani Electricity Mumbai Limited, Adani Transmission (India) Limited and Maharashtra Eastern Grid Power Transmission Company Limited
Memorandum or Memorandum of Association	Memorandum of association of our Company, as amended from time to time
Nomination and Remuneration Committee	Nomination and remuneration committee of the Board of our Company as disclosed in "*Board of Directors and Senior Management*" on page 176
Previous Statutory Auditors	Deloitte Haskins & Sells LLP, Chartered Accountants
Promoters	The promoters of our Company, namely Gautam S. Adani and Rajesh S. Adani
Promoter Group	Unless the context requires otherwise, the promoter group of our Company as determined in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered and Corporate Office	Registered and corporate office of our Company situated at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad 382 421, Gujarat, India
Risk Management Committee	Risk management committee of the Board of our Company as disclosed in "*Board of Directors and Senior Management*" on page 176
Senior Management	Members of the senior management of our Company, as described in "*Board of Directors and Senior Management*" on page 176
Shareholder(s)	Shareholders of our Company
Stakeholders' Relationship Committee	Stakeholders' relationship committee of the Board of our Company as disclosed in "*Board of Directors and Senior Management*" on page 176
Subsidiaries	Subsidiaries of our Company, being: 1. Adani Cooling Solutions Limited; 2. Adani Electricity Aurangabad Limited; 3. Adani Electricity Jewar Limited; 4. Adani Electricity Mumbai Infra Limited (step-down subsidiary); 5. Adani Electricity Mumbai Limited; 6. Adani Electricity Nashik Limited; 7. Adani Electricity Navi Mumbai Limited (formerly known as AEML Infrastructure Limited); 8. Adani Energy Solutions Step-Thirteen Limited; 9. Adani Energy Solutions Step-Twelve Limited; 10. Adani Green Energy Thirty Limited (step-down subsidiary); 11. Adani Transmission (India) Limited (step-down subsidiary); 12. Adani Transmission (Rajasthan) Limited; 13. Adani Transmission Bikaner Sikar Limited (formerly known as Adani Transmission Bikaner Sikar Private Limited); 14. Adani Transmission Mahan Limited (step-down subsidiary); 15. Adani Transmission Step-Eight Limited; 16. Adani Transmission Step-Five Limited; 17. Adani Transmission Step-Four Limited; 18. Adani Transmission Step-One Limited; 19. Adani Transmission Step-Seven Limited; 20. Adani Transmission Step-Six Limited; 21. Adani Transmission Step-Three Limited; 22. Adani Transmission Step-Two Limited; 23. AEML Seepz Limited (step-down subsidiary); 24. Alipurduar Transmission Limited; 25. Arasan Infra Limited (formerly known as Arasan Infra Private Limited); 26. Arasan Infra Two Limited; 27. Aravali Transmission Service Company Limited; 28. ATL HVDC Limited; 29. Barmer Power Transmission Service Limited; 30. BEST Smart Metering Limited; 31. Bikaner Khetri Transmission Limited; 32. Chhattisgarh-WR Transmission Limited; 33. Essar Transco Limited (step-down subsidiary); 34. Fatehgarh-Bhadla Transmission Limited; 35. Ghatampur Transmission Limited;

Term	Description
	36. Gopalaya Build Estate Private Limited (step-down subsidiary); 37. Hadoti Power Transmission Service Limited; 38. Halvad Transmission Limited; 39. Jam Khambaliya Transco Limited; 40. Karur Transmission Limited; 41. Kharghar Vikhroli Transmission Limited; 42. Khavda II-A Transmission Limited; 43. Khavda-Bhuj Transmission Limited; 44. KPS 1 Transmission Limited; 45. Lakadia Banaskantha Transco Limited; 46. Maharashtra Eastern Grid Power Transmission Company Limited (Step-down subsidiary); 47. Maru Transmission Service Company Limited; 48. MP Power Transmission Package II Limited; 49. MPSEZ Utilities Limited; 50. NE Smart Metering Limited (formerly known as Adani Transmission Step-Nine Limited); 51. North Karanpura Transco Limited; 52. Obra-C Badaun Transmission Limited; 53. Pointleap Projects Private Limited (step-down subsidiary); 54. Power Distribution Services Limited; 55. Raipur-Rajnandgaon-Warora Transmission Limited; 56. Sangod Transmission Service Limited; 57. Sipat Transmission Limited; 58. Sunrays Infra Space Limited (formerly known as Sunrays Infra Space Private Limited); 59. Sunrays Infra Space Two Limited; 60. Thar Power Transmission Service Limited; 61. Warora Kurnool Transmission Limited; 62. Western Transco Power Limited; 63. Western Transmission (Gujarat) Limited; 64. WRSR Power Transmission Limited; and 65. WRSS XXI (A) Transco Limited. The term "*Subsidiary*" shall be construed accordingly.

Issue Related Terms

Term	Description
"Allocated" or "Allocation"	Allocation of Equity Shares, in consultation with the Book Running Lead Managers, following the determination of the Issue Price to Eligible QIBs on the basis of Application Forms submitted by them, in compliance with Chapter VI of the SEBI ICDR Regulations
"Allotment" or "Allotted"	Allotment and issue of Equity Shares pursuant to the Issue
Allottees	Eligible QIBs to whom Equity Shares are issued pursuant to the Issue
Application Form	Form (including any revisions thereof) which will be submitted by the Eligible QIBs for registering a Bid in the Issue
Bid(s)	Indication of an Eligible QIB's interest, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for the Equity Shares pursuant to the Issue. The term "Bidding" shall be construed accordingly
Bid Amount	The price per Equity Share indicated in the Bid multiplied by the number of Equity Shares Bid for by Eligible QIBs and payable by the Eligible QIBs in the Issue on submission of the Application Form
Bidder(s)	Any prospective investor, being an Eligible QIB, who makes a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form
"Book Running Lead Managers" or "BRLMs"	SBI Capital Markets Limited, Jefferies India Private Limited and ICICI Securities Limited
"CAN" or "Confirmation of Allocation Note"	Note, advice or intimation to successful Bidders confirming the Allocation of Equity Shares to such successful Bidders after discovery of the Issue Price
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about [●], 2024
Designated Date	The date of credit of Equity Shares pursuant to the Issue to the Allottees' demat accounts, as applicable to the relevant Allottees
Eligible FPIs	FPIs under FEMA, the SEBI FPI Regulations and any other applicable law, other than individuals, corporate bodies and family offices
Eligible QIBs	QIBs that are eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations. In relation to the Issue, this term shall consist of (i) QIBs which are resident in India; and (ii) Eligible FPIs, participating through Schedule II of the FEMA Rules. Further, except as provided in (ii) above, other non-resident QIBs (including FVCIs and non-resident multilateral and bilateral development financial institutions) are not permitted to participate in the Issue

Term	Description
Escrow Account	Special non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, opened with the Escrow Agent, subject to the terms of the Escrow Agreement, into which the Bid Amount shall be deposited by Eligible QIBs and refunds, if any, shall be remitted to unsuccessful Bidders
Escrow Agent	State Bank of India
Escrow Agreement	Agreement dated July 30, 2024, entered into by and amongst our Company, the Escrow Agent and the Book Running Lead Managers for collection of the Bid amounts and remitting refunds, if any, of the amounts collected, to the Bidders
Floor Price	Floor price of ₹ 1,027.1125 for each Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of the shareholders of our Company accorded through their resolution dated June 25, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations
Issue	Offer, issuance and Allotment of the Equity Shares to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	[●], 2024, the date after which our Company (or Book Running Lead Managers on behalf of our Company) shall cease acceptance of Application Forms and the Bid Amount
Issue Opening Date	July 30, 2024, the date on which our Company (or the Book Running Lead Managers on behalf of our Company) shall commence acceptance of the Application Forms and the Bid Amount
Issue Period	Period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which Eligible QIBs can submit their Bids along with the Bid Amount
Issue Price	A price per Equity Share of ₹ [●]
Issue Size	Aggregate size of the Issue, up to ₹ [●] crore
Monitoring Agency Agreement	Agreement dated July 26, 2024 entered into by and between our Company and the Monitoring Agency in relation to the responsibilities and obligations of the Monitoring Agency for monitoring the utilization of the Net Proceeds of the Issue, after deducting the fees, commissions, and expenses of the Issue
Monitoring Agency	CARE Ratings Limited
Mutual Fund	A mutual fund registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
Placement Agreement	Placement agreement dated July 30, 2024 by and among our Company and the Book Running Lead Managers
Placement Document	Placement document to be issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules made thereunder
Preliminary Placement Document	This preliminary placement document cum application form, dated July 30, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules made thereunder
"QIBs" or "Qualified Institutiona Buyers"	Qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013 read with the applicable rules of the PAS Rules
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Bid Amount submitted by such Bidder pursuant to the Issue
Refund Intimation Letter	The letter from our Company to relevant Bidders intimating them of the Refund Amount, if any, to be refunded to their respective bank accounts on the date of issuance of CAN
Relevant Date	July 30, 2024 which is the date of the meeting in which the Management Committee of our Board decided to open the Issue
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Bid Amount and who will be Allocated Issue shares
U.S. QIBs	"qualified institutional buyers" as defined under Rule 144A of the Securities Act.
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India

Business and Industry Related Terms

Term	Description
AC	Alternating current
ACS-ARR	Average cost of supply and average revenue realized
ARR	aggregate revenue requirement
ATC	Annual transmission charge
AT&C	Aggregate technical and commercial
BOOM	Build, own, operate and maintain
BOOT	Build, own, operate and transfer

Term	Description
BPTA	Bulk power transmission agreement
BUs	Billion units
C&I	Commercial and industrial
CAGR	Compound annual growth rate
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
COD	Date of commissioning
CGUs	central generating utilities
ckms	Circuit kilometers
ckt	Circuit
CTU	Central transmission utility
CTUIL	Central Transmission Utility of India Ltd
DBFOOT	Design, build, finance, operate and transfer
DC	Direct current
DDF	Direct debit facility
Discoms	Distribution companies
DPC	Delayed payment charges
ERP	Enterprise resource planning
EVs	Electric vehicles
FAC	fuel adjustment charge
FGD	flue gas de-sulphurisation
GBS	Government budgetary support
GDP	Gross domestic product
GNA	General network access
GoI	Government of India
GSDP	Gross state domestic product
GTD	Generation, transmission and distribution
GW	gigawatts
HVDC	High voltage direct current
IOA	Interest on arrears
IPTCs	Independent power transmission companies
InSTS	Intra- state transmission system
ISTS	Inter-state transmission system
IT/OT	information technology/operational technology
kCal	Kilocalories
kV	Kilovolt
kWh	Kilowatt hour
LPS	Late payment surcharge
LTTC	Long Term Transmission Customers
MERC	Maharashtra Electricity Regulatory Commission
MMT	Million Metric tonne
MSETCL	Maharashtra State Electricity Transmission Company Limited
MUs	Million Units
MVA	Mega volt ampere
MW	Megawatt
NCT	National Committee on Transmission
NEP	National Electricity Plan
NLDC	National load dispatch center
NTPC	NTPC Limited (formerly known as National Thermal Power Corporation Limited)
PGCIL	Power Grid Corporation of India Limited
PoC	Point of connection
PPA	Power purchase agreement
PPP	Public Private Partnership
PSP	Pump storage projects
Raj/PPP	Rajasthan Public Private Partnership
RERC	Rajasthan Electricity Regulatory Commission
R-Infra	Reliance Infrastructure Limited
RDSS	Revamped Distribution Sector Scheme
RE	Renewable energy
RGO	Renewable generation obligations
RLDC	Regional load dispatch center
RSA	Revenue sharing agreement
RTM	Regulated tariff mechanism
SAP	System Applications and Products in Data Processing
SBD	Standard bidding documents
SCOD	Scheduled commercial operations date

Term	Description
SEB	State Electricity Board
SERC	State Electricity Regulatory Commission
SLDC	State load dispatch center
STU	State transmission utility
T&D	Transmission and distribution
TBCB	Tariff-based competitive bidding
TPC	Tata Power Company Limited
TSA	Transmission service agreement
TSP	Transmission service provider
TSU	Transmission system user

Conventional and General Terms/ Abbreviations

Term	Description
"₹" or "Rs." or "Rupees" or "INR"	Indian Rupees
AGM	Annual general meeting
AIF(s)	Alternative Investment Funds as defined in, and registered under the SEBI AIF Regulations
"Bn" or "bn"	Billion
BSE	BSE Limited
CAGR	Compound annual growth rate
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as "Category I Foreign Portfolio Investors" under the SEBI FPI Regulations
Category II FPIs	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CERC	Central Electricity Regulatory Commission
CFO	Chief Financial Officer
CIN	Corporate Identity Number
"Companies Act" or "Companies Act, 2013"	Companies Act, 2013, as applicable, along with the relevant rules, regulations, clarifications and modifications made thereunder
Companies Act, 1956	Companies Act, 1956, along with the relevant rules framed thereunder
Companies (Significant Beneficial Owners) Rules, 2018	Companies (Significant Beneficial Owners) Rules, 2018 and any notifications and circulars related thereto
"Consolidated FDI Policy" or "FDI Policy"	Consolidated Foreign Direct Investment Policy notified by the DPIIT under DPIIT File Number 5(2)/2020-FDI Policy dated the October 15, 2020, effective from October 15, 2020, and any modifications thereto or substitutions thereof, issued from time to time
CSR	Corporate social responsibility
Depositories	Together, NSDL and CDSL
Depositories Act	Depositories Act, 1996, read with the rules, regulations, amendments and modifications notified thereunder
DIN	Director Identification Number
DP ID	Depository Participant's Identification
"DP" or "Depository Participant"	A depository participant as defined under the Depositories Act
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (*formerly known as Department of Industrial Policy and Promotion*)
EGM	Extraordinary general meeting
EPS	Earnings per share
EBITDA	Earnings before interest, taxes, depreciation and amortisation
EU	European Union
Electricity Act	The Electricity Act, 2003
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended
"Financial Year" or "Fiscal" or "Fiscal Year" or "FY"	Unless stated otherwise, the period of 12 months commencing on April 1 of the immediately preceding calendar year and ending March 31 of that particular calendar year
FIR	First information report
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations

Term	Description
GAAR	General Anti-Avoidance Rules
Gazette	Gazette of India
GDP	Gross domestic product
“GoI” or “Government” or “Central Government”	Government of India
GST	Goods and services tax
HUF	Hindu Undivided Family
HNI	High net worth individual
IBC	Insolvency and Bankruptcy Code, 2016
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, and referred to in the Companies (Indian Accounting Standards) Rules, 2015
India	Republic of India
Indian GAAP	Accounting Standards notified under Section 133 of the Companies Act and referred to in the Companies (Accounting Standards) Rules, 2014
IPC	Indian Penal Code, 1860
IST	Indian Standard Time
IT	Information Technology
IT Act	Information Technology Act, 2000
KYC	Know Your Customer
MCA	Ministry of Corporate Affairs, Government of India
MERC	Maharashtra Electricity Regulatory Commission
“Mn” or “mn”	Million
MSMEs	Small scale undertakings as per the Micro, Small and Medium Enterprises Development Act, 2006
Mutual Funds	Mutual funds registered under the SEBI Mutual Funds Regulations
NACH	National Automated Clearing House
National Investment Fund	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India
“N/A” or “N.A.”	Not applicable
NAV	Net Asset Value
NBFC	Non-Banking Financial Companies
NEFT	National Electronic Fund Transfer
Negotiable Instruments Act	Negotiable Instruments Act, 1881
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
“Non-Resident Indians” or “NRI(s)”	A non-resident Indian as defined under the FEMA Rules
NPCI	National Payments Corporation of India
NRE	Non- Resident External
NRE Account	Non-resident external rupee account
NRI	Non-resident Indian
NRO	Non-Resident Ordinary
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
“OCB” or “Overseas Corporate Body”	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA and which was de-recognised through the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. OCBs are not allowed to invest in the Offer
p.a.	Per annum
P/E	Price/earnings
P/E Ratio	Price to Earnings Ratio
PAN	Permanent Account Number
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
PAT	Profit after tax
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoC	Registrar of Companies, Gujarat at Ahmedabad
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act

Term	Description
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities Transaction Tax
"Systemically Important NBFC" or "NBFC-SI"	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
TAN	Tax deduction account number
U.S. Securities Act	U.S. Securities Act of 1933, as amended
"U.S." or "USA" or "United States"	United States of America including its territories and possessions, any State of the United States, and the District of Columbia
"U.S. GAAP"	Generally Accepted Accounting Principles in the United States
"USD" or "US$"	United States Dollars
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
"Year" or "Calendar Year"	Unless the context otherwise requires, shall mean the 12 month period commencing from January 1 and ending on December 31

SUMMARY OF BUSINESS

We are part of the Adani portfolio, which is among India's top business houses[1]. We are one of the leading players in the transmission and distribution sector and leading the private sector transmission segment, owning 41.5% of the private operational transmission capacity as of Fiscal 2024[2] Our Subsidiary, Adani Electricity Mumbai Ltd. ("**AEML**"), is the largest distribution licensee in Mumbai with a consumer base of 3.18 million as of Fiscal 2024.[3] We have recently entered into the smart metering business in Fiscal 2023 and as of March 31, 2024, we have entered into nine contracts totaling 22.8 million smart meters, representing approximately 20% of India's smart metering market share, according to CRISIL. We are contributing to India's energy transition goals with our portfolio of assets in transmission that will aide evacuation of renewable power (Green Energy Corridor), coupled with high renewable power penetration in distribution business and recent foray into smart metering business.

We operate three main businesses: (a) transmission, (b) distribution and (c) smart metering.

As of June 30, 2024, we have 21,187 circuit kilometers ("**ckms**") of transmission lines across 14 states in India, of which 18,115 ckms of were fully operational and another 3,072 ckms of transmission lines are under construction, 57,186 megavolt-ampere ("**MVA**") of power transformation capacity under our transmission business. Our distribution business served over 3.20 million households (representing approximately 13 million distribution customers) of AEML and 100 industrial customers of MPSEZ Utilities Limited ("**MUL**"), as of June 30, 2024. We are also ramping up our smart metering business and have entered into nine contracts totaling 22.8 million smart meters, as of June 30, 2024.

Through our power transmission business, we build, commission, operate and maintain electricity inter-state transmission systems ("**ISTS**") and intra-state transmission systems ("**InSTS**"). As of June 30, 2024, we owned 27, fully operational transmission systems, across the states of Gujarat, Maharashtra, Rajasthan, Uttar Pradesh, Bihar, Madhya Pradesh, Andhra Pradesh, Chhattisgarh, Tamil Nadu, Telangana, West Bengal and Haryana in India which in aggregate have a network of power transmission lines of approximately 17,300 ckms and 33 substations having 31,655 MVA of transformation capacity. We are developing nine transmission systems across the states of Gujarat, Maharashtra, Rajasthan, Karnataka, Madhya Pradesh, Jharkhand and Bihar in India. These transmission systems have a total network of power transmission lines of approximately 3,072 ckms and 25 substations having 21,571 MVA of transformation capacity.

The transmission systems were awarded to us under the "tariff based competitive bidding" mechanism ("**TBCB**") on a "build-own-operate-maintain" ("**BOOM**") or build-own-operate-transfer" ("**BOOT**") basis. Our ISTS transmission systems earn revenue under long-term transmission services agreements ("**TSAs**") and tariff orders passed by CERC, and our InSTS transmission systems earn revenue under long-term bulk power transmission agreements ("**BPTAs**") and tariff orders passed by the relevant state electricity regulatory authority. These transmission systems receive availability-based tariffs under the TSAs or BPTAs, as applicable, irrespective of the quantum of power transmitted through the line. The tariff for transmission systems in India is contracted for the period of the TSA or BPTA which is up to 25 years, and may be renewed or extended for another 10 years in accordance with the TSA or BPTA. Tariffs under the TSAs and BPTAs are billed and collected pursuant to the "point of connection" ("**PoC**") mechanism, a regulatory payment pooling system. Under the PoC mechanism, payments are made to a central/state payment pool and the proceeds are distributed proportionately to all transmission services providers, including us. The availability-based tariffs and PoC payment mechanism enable a stable and certain cash flow stream. For further details, see "*Industry Overview*" on page 119.

We have maintained an annual average availability for our operational transmission systems in excess of 99.5% since commissioning for which we have earned maximum incentive revenues under the respective TSAs and BPTAs. Maintaining availability of the transmission systems in excess of 95% for HVDC systems and 98% for AC systems gives us the right to claim incentives on a pro-rata basis, under the TSAs and BPTAs, ensuring an adequate upside to maximize availability.

We operate our electricity distribution business through our Subsidiaries AEML, AEML SEEPZ Limited ("**ASL**") (a wholly owned subsidiary of AEML) and MUL. As of June 30, 2024, our distribution systems included AEML's 573 ckms of 220 kV transmission lines, an embedded 500 MW power plant[4] and eight substations having 3,250 MVA transformation capacity and MUL's 242 ckms of 220, 66, 33,11 and 0.415 kV transmission lines and seven substations having 710 MVA transformation capacity. As of June 30, 2024, we served over 3.20 million households (representing approximately 13 million distribution customers) and 100 industrial customers of MUL with an annual energy requirement of approximately 12,285 million units ("**MUs**") (11,624 MUs through AEML and 661 MUs through MUL).

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[1] Source: CRISIL

[2] Source: CRISIL

[3] Source: CRISIL

[4] AEML, pursuant to the resolution passed at its meeting concluded on July 24, 2024, has approved the divestment of ADTPS to one of its related parties, subject to requisite regulatory approvals. For details, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Significant Developments after March 31, 2024 That May Affect Our Future Results of Operations - Divestment of the Adani Dahanu Thermal Power Station" and "Our Business – Distribution Business - AEML" on pages 117 and 162, respectively.

Leveraging our distribution and transmission platforms and expertise, we have recently entered into the smart metering business in Fiscal 2023 which involves the installation of smart-meters and providing end-to-end smart metering services under the Design-Build-Finance-Own-Operate-and-Transfer ("**DBFOOT**") model. As of March 31, 2024, we have entered into nine contracts totaling 22.8 million smart meters, representing approximately 20% of India's smart metering market share, according to CRISIL.

We have been given a credit rating of BBB-/Baa3 Stable by Fitch and Moody's, respectively, in Fiscal 2024. In Fiscals 2024, 2023 and 2022, we generated total income of ₹17,218.31 crore, ₹13,840.46 crore and ₹11,861.47 crore, respectively, EBITDA of ₹6,322.15 crore, ₹6,100.93 crore and ₹5,492.59 crore, respectively and net profit after tax of ₹1,195.61 crore, ₹1,280.60 crore and ₹1,235.75 crore, respectively.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including in "*Risk Factors*", "*Use of Proceeds*", "*Placement*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages 40, 84, 201, 189 and 215, respectively.

Issuer	Adani Energy Solutions Limited (*formerly known as Adani Transmission Limited*)
Face Value	₹10 per Equity Share
Issue Price	₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share)
Floor Price	₹ 1,027.1125 per Equity Share, calculated in accordance with Regulation 176 under Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of the shareholders of our Company accorded through their resolution dated June 25, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue Size	Issue of up to [●] Equity Shares, aggregating up to approximately ₹ [●] crore, at a premium of ₹ [●] each. A minimum of 10% of the Issue Size i.e. at least [●] Equity Shares, shall be available for Allocation to Mutual Funds only and the balance [●] Equity Shares should be available for Allocation to all QIBs, including Mutual Funds. In case of under-subscription in the portion available for Allocation to Mutual Funds, such minimum portion or part thereof may be Allotted to other Eligible QIBs.
Date of Board resolution	May 27, 2024
Date of shareholders' resolution	June 25, 2024
Eligible Investors	Eligible QIBs, to whom this Preliminary Placement Document and the Application Form are delivered and who are eligible to bid and participate in the Issue. For further details, see "*Issue Procedure*", "*Distribution and Solicitation Restrictions*" and "*Transfer Restrictions*" on pages 189, 202 and 209, respectively. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered has been determined by our Company in consultation with the BRLMs.
Dividend	See "*Description of the Equity Shares*" and "*Dividends*" on pages 215 and 97, respectively.
Indian taxation	See "*Taxation*" on page 222.
Equity Shares issued and outstanding immediately prior to the Issue	1,11,54,92,683 Equity Shares
Equity Shares issued and outstanding immediately after the Issue	[●] Equity Shares
Listing and trading	Our Company has obtained in-principle approvals each dated July 30, 2024 in terms of Regulation 28(1)(a) of the SEBI Listing Regulations from BSE and NSE, respectively, for listing of the Equity Shares issued pursuant to the Issue. Our Company will make applications to each of the Stock Exchanges after Allotment to obtain final listing and trading approval for the Equity Shares after the Allotment and after the credit of the Equity Shares to the beneficiary account of the Depository Participant, respectively. The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges.
Lock-up	For details in relation to lock-up, see "*Placement – Lock-up"* on page 201 for a description of restrictions on our Company in relation to the Equity Shares.
Transferability restrictions	The Equity Shares to be issued and Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. For details in relation to other transfer restrictions, please see "*Transfer Restrictions*" on page 209.
Use of proceeds	The Gross Proceeds from the Issue will be approximately ₹ [●] crore. Subject to compliance with applicable laws, the Net Proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, will be approximately ₹ [●] crore. See "*Use of Proceeds*" on page 84 for additional information regarding the use of net proceeds from the Issue.
Risk factors	See "*Risk Factors*" on page 40 for a discussion of risks you should consider before investing in the Equity Shares.
Closing Date	The Allotment of the Equity Shares pursuant to the Issue is expected to be made on or about [●], 2024.
Ranking	The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* with the existing Equity Shares of our Company, including in respect of voting rights and dividends. The holders of Equity Shares (who hold Equity Shares as on the applicable record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company

	after the Closing Date, in compliance with the Companies Act, 2013, the SEBI Listing Regulations and other applicable laws and regulations. Equity shareholders of our Company may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act, 2013. For further details, see "*Dividends*" and "*Description of the Equity Shares*" on pages 97 and 215, respectively.	
Voting Rights	See "*Description of the Equity Shares – Voting Rights*" on page 218.	
Security codes for the Equity Shares	ISIN	INE931S01010
	BSE Code	539254
	NSE Symbol	ADANIENSOL

SELECTED FINANCIAL INFORMATION

The following tables set out selected financial information extracted from our Financial Statements, prepared in accordance with the applicable accounting standards (Ind AS), Companies Act, 2013 and the requirements of SEBI Listing Regulations, as applicable, and presented in "Financial Information" on page 242*. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Information", on pages* 98 *and* 242*, respectively, for further details.*

SUMMARY OF CONSOLIDATED BALANCE SHEET

(*in ₹ crore*)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current Assets			
Property, Plant and Equipment	36,436.74	30,295.28	27,905.02
Right of Use Assets	783.11	652.22	673.00
Capital Work-In-Progress	3,002.69	6,200.44	5,060.16
Goodwill	598.29	598.29	598.29
Intangible Assets	1,101.60	1,099.35	1,095.46
Financial Assets			
(i) Investments	323.79	312.89	264.17
(ii) Loans	22.51	26.10	1,128.54
(iii) Other Financial Assets	3,841.12	3,974.70	3,631.64
Deferred Tax Assets (Net)	40.43	-	-
Income Tax Assets (Net)	57.55	60.78	88.87
Other Non-current Assets	2,752.86	1,804.84	1,541.22
Total Non-current Assets	**48,960.69**	**45,024.89**	**41,986.37**
Current Assets			
Inventories	255.28	151.91	250.11
Financial Assets			
(i) Investments	442.69	1,056.79	296.35
(ii) Trade Receivables	1,564.95	1,437.59	1,070.84
(iii) Cash and Cash Equivalents	742.06	190.64	189.05
(iv) Bank Balances other than (iii) above	1,486.08	1,513.50	1,203.82
(v) Loans	407.78	477.20	7.81
(vi) Other Financial Assets	2,360.77	1,906.39	1,065.83
Other Current Assets	787.15	209.01	269.91
Total Current Assets	**8,046.76**	**6,943.03**	**4,353.72**
Total Assets before Regulatory Deferral Account	**57,007.45**	**51,967.92**	**46,340.09**
Regulatory Deferral Account - Assets	1,571.36	1,963.83	1,124.02
Total Assets	**58,578.81**	**53,931.75**	**47,464.11**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	1,115.49	1,115.49	1,099.81
Unsecured Perpetual Equity Instrument	-	-	3,055.65
Other Equity	11,526.06	10,633.68*	5,757.36
Total Equity attributable to Equity Owners of the Company	**12,641.55**	**11,749.17***	**9,912.82**
Non-Controlling Interests	1,061.58	1,126.60*	1,093.68
Total Equity	**13,703.13**	**12,875.77***	**11,006.50**
Liabilities			
Non-current Liabilities			
Financial Liabilities			
(i) Borrowings	33,559.62	31,330.39	27,774.04
(ia) Lease Liabilities	45.49	51.69	66.12
(ii) Trade Payables			
(A) Total outstanding dues of micro enterprises and small enterprises;	-	-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises.	37.39	32.76	32.22
(iii) Other Financial Liabilities	513.12	338.84	334.81
Other Non-Current Liabilities	420.37	332.96	290.25
Provisions	630.23	527.73	617.47
Deferred Tax Liabilities (Net)	1,652.78	1,424.32*	1,414.46
Total Non-current Liabilities	**36,859.00**	**34,038.69**	**30,529.37**

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Current Liabilities			
Financial Liabilities			
(i) Borrowings	3,449.25	2,868.45	2,040.54
(ia) Lease Liabilities	15.29	19.50	21.09
(ii) Trade Payables			
(A) Total outstanding dues of micro enterprises and small enterprises;	50.92	46.43	26.37
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises.	1,671.19	1,754.00	1,581.54
(iii) Other Financial Liabilities	2,043.83	1,837.82	1,556.29
Other Current Liabilities	630.68	363.79	347.60
Provisions	98.51	119.29	70.91
Current Tax Liabilities (Net)	3.18	8.01	12.34
Total Current Liabilities	**7,962.85**	**7,017.29**	**5,656.68**
Total Liabilities before Regulatory Deferral Account	**44,821.85**	**41,055.98**	**36,186.05**
Regulatory Deferral Account-Liabilities	53.83	-	271.56
Total Equity and Liabilities	**58,578.81**	**53,931.75**	**47,464.11**

* *During the year, the group has recognised the deferred tax expense/credit with respect to the effective portion of gain/(losses) on a cash flow hedge classified in other comprehensive income in accordance with Ind AS 12, income taxes. Pursuant to the impact of aforesaid changes, the group has restated the numbers for the comparative periods, which has resulted increase in credit on other comprehensive income by ₹22.91 crore for the year ended March, 31, 2023, with corresponding impact on total comprehensive income for the year. Further, Other equity and non-controlling interest has been increased by ₹86.73 crore and ₹29.05 crore respectively and deferred tax liabilities has been decreased by ₹115.78 crore as at March 31, 2023. Prior to the restatement for the year ended March, 31, 2023 and as at March 31, 2023, other equity, total equity attributable to equity owners of the Company, non-controlling interest, total equity, deferred tax liabilities (net), total non-current liabilities, total liabilities before regulatory deferral account, tax relating to items that will be reclassified to profit or loss, other comprehensive income/ (loss) for the year (net of tax), total comprehensive income for the year, other comprehensive income / (loss) for the year attributable to owners of the Company, other comprehensive income / (loss) for the year attributable to non-controlling interests, total comprehensive income/ (loss) for the year attributable to owners of the Company, Total comprehensive income/ (loss) for the year attributable to non-controlling interests was ₹10,546.95 crore, ₹11,662.44 crore, ₹1,097.55 crore, ₹12,759.99 crore, ₹1,540.10 crore, ₹34,154.47 crore, ₹41,171.76 crore, ₹48.73 crore, ₹(301.63) crore, ₹978.97 crore, ₹(283.07) crore, ₹(18.56) crore, ₹973.26 crore, and ₹5.71 crore, respectively.*

SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(in ₹ crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from Operations			
(i) From Generation, Transmission and Distribution Business	15,577.78	12,537.07	10,435.61
(ii) From Trading Business	1,029.59	755.65	821.91
Other Income	610.95	547.74	603.95
Total Income	**17,218.31**	**13,840.46**	**11,861.47**
Expenses			
Cost of Power Purchased	4,340.30	3,839.98	2,778.88
Cost of Fuel	1,119.09	1,384.18	1,065.99
Purchases of Stock-in-Trade	1,028.95	755.13	821.23
Employee Benefits Expense	951.70	986.65	885.07
Finance Costs	2,766.51	2,781.47	2,364.95
Depreciation and Amortisation Expense	1,776.08	1,607.74	1,427.15
Other Expenses	2,996.11	1,809.17	1,500.18
Total Expenses	**14,978.74**	**13,164.32**	**10,843.45**
Profit Before Rate Regulated Activities, Tax and Deferred Assets recoverable/adjustable for the year	**2,239.57**	**676.14**	**1,018.02**
Net movement in Regulatory Deferral Account Balances - Income/(Expenses)	(460.01)	1,035.58	682.47
Profit Before Tax and Deferred Assets recoverable/adjustable for the year	**1,779.56**	**1,711.72**	**1,700.49**
Tax Expense:			
Current Tax	298.60	260.94	244.23
Deferred Tax	281.53	174.39	191.83
Total Tax Expenses	**580.13**	**435.33**	**436.06**
Profit After Tax for the year but before Deferred Assets recoverable/adjustable	**1,199.43**	**1,276.39**	**1,264.43**
Deferred assets recoverable/adjustable	(3.82)	4.21	(28.68)
Profit After Tax for the year	**1,195.61**	**1,280.60**	**1,235.75**
Other Comprehensive Income/(Loss)			
(a) Items that will not be reclassified to profit or loss			
- Remeasurement gain / (loss) of Defined Benefit Plan	(14.76)	47.53	16.37
- Movement in Regulatory Deferral Balance	13.99	(47.94)	-
- Tax relating to items that will not be reclassified to Profit or Loss	0.01	(8.36)	(2.89)
(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	(375.33)	(341.59)	(262.79)
- Tax relating to items that will be reclassified to Profit or Loss	93.62	71.64*	(2.44)
Other Comprehensive Income/ (Loss) for the year (Net of Tax)	**(282.47)**	**(278.72)***	**(251.75)**
Total Comprehensive Income for the year	**913.14**	**1,001.88***	**984.00**
Profit/ (Loss) for the year attributable to:			
Owners of the Company	1,137.28	1,256.33	1,204.61
Non-controlling interests	58.33	24.27	31.14
	1,195.61	**1,280.60**	**1,235.75**
Other Comprehensive Income / (Loss) for the year attributable to:			
Owners of the Company	(246.65)	(265.91)*	(217.19)
Non-controlling interests	(35.82)	(12.81)*	(34.56)
	(282.47)	**(278.72)***	**(251.75)**
Total Comprehensive Income/ (Loss) for the year attributable to:			
Owners of the Company	890.63	990.42*	987.42
Non-controlling interests	22.51	11.46*	(3.42)
	913.14	**1001.88***	**984.00**
Earnings Per Share (EPS) (in Rs.) (Face Value Rs. 10 Per Share)			
Basic / Diluted Earnings per Equity Share (Face Value of Rs. 10 each) after Net movement in Regulatory Deferral Account Balances (Rs.)**	10.20	11.10	8.90

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Basic / Diluted Earnings per Equity Share (Face Value of Rs. 10 each) before Net movement in Regulatory Deferral Account Balances (Rs.)**	12.87	5.35	5.06

* *During the year, the group has recognised the deferred tax expense/credit with respect to the effective portion of gain/(losses) on a cash flow hedge classified in other comprehensive income in accordance with Ind AS 12, income taxes. Pursuant to the impact of aforesaid changes, the group has restated the numbers for the comparative periods, which has resulted increase in credit on other comprehensive income by ₹22.91 crore for the year ended March, 31, 2023, with corresponding impact on total comprehensive income for the year. Further, Other equity and non-controlling interest has been increased by ₹86.73 crore and ₹29.05 crore respectively and deferred tax liabilities has been decreased by ₹115.78 crore as at March 31, 2023. Prior to the restatement for the year ended March, 31, 2023 and as at March 31, 2023, other equity, total equity attributable to equity owners of the Company, non-controlling interest, total equity, deferred tax liabilities (net), total non-current liabilities, total liabilities before regulatory deferral account, tax relating to items that will be reclassified to profit or loss, other comprehensive income/ (loss) for the year (net of tax), total comprehensive income for the year, other comprehensive income / (loss) for the year attributable to owners of the Company, other comprehensive income / (loss) for the year attributable to non-controlling interests, total comprehensive income/ (loss) for the year attributable to owners of the Company, Total comprehensive income/ (loss) for the year attributable to non-controlling interests was ₹10,546.95 crore, ₹11,662.44 crore, ₹1,097.55 crore, ₹12,759.99 crore, ₹1,540.10 crore, ₹34,154.47 crore, ₹41,171.76 crore, ₹48.73 crore, ₹(301.63) crore, ₹978.97 crore, ₹(283.07) crore, ₹(18.56) crore, ₹973.26 crore, and ₹5.71 crore, respectively.*

*** Not Annualised.*

SUMMARY OF STATEMENT OF CONSOLIDATED CASH FLOWS

(*in ₹ crore*)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
A. Cash flows from operating activities			
Profit before tax	1,779.56	1,711.72	1,700.49
Adjustments for:			
Depreciation and Amortisation Expense	1,776.08	1,607.74	1,427.15
Amortisation of Service Line Contribution	(17.46)	(15.03)	(11.05)
Gain on Sale/Fair Value of Current Investments measured at FVTPL	(43.10)	(21.24)	(10.12)
Finance Costs	2,766.51	2,781.47	2,364.95
Interest Income	(386.62)	(494.77)	(508.99)
Gain on buy-back of bond	(136.49)	-	-
Unclaimed liabilities / Excess provision written back	(8.39)	(0.51)	(0.80)
Bad Debt Written Off	17.09	15.21	18.31
Provision for Doubtful Debts, Advances, Deposits	-	18.58	-
Sundry creditors written back	-	(2.44)	(57.41)
(Gain)/Loss on sale/scrapping of Property, Plant and Equipment	(3.73)	0.20	4.12
Foreign Exchange Fluctuation Loss	0.40	0.46	1.00
Operating profit before working capital changes	**5,743.85**	**5,601.39**	**4,927.65**
Changes in Working Capital:			
(Increase) / Decrease in Operating Assets:			
Inventories	(103.37)	98.20	(15.85)
Trade Receivables	(144.45)	(394.95)	(105.44)
Other Financial Assets and Other Assets	38.53	(495.57)	(331.67)
Regulatory Deferral Account - Assets	392.47	(839.81)	(682.47)
Increase / (Decrease) in Operating Liabilities:			
Trade Payables	(59.33)	219.55	433.45
Other Financial Liabilities, Other Liabilities and Provisions	416.17	105.30	137.80
Regulatory Deferral Account - Liabilities	53.83	(271.56)	-
Cash generated from operations	**6,337.70**	**4,022.55**	**4,363.47**
Income taxes paid (Net)	(300.08)	(245.56)	(266.86)
Net cash generated from operating activities (A)	**6,037.62**	**3,776.99**	**4,096.61**
B. Cash flows from investing activities			
Purchase of Property, Plant and Equipment (including capital advance) and contract assets under Service Concession Arrangement)	(5,429.54)	(4,702.21)	(4,190.86)
Acquisition of Subsidiaries	(34.79)	(36.75)	(143.48)
Advance for Acquisition of SPV	-	(6.35)	-
Proceeds/(Purchase) of Investments (Contingency Reserve) (net)	(16.10)	(48.67)	(32.70)
Proceeds/(Purchase) of current investment (net)	682.85	(726.02)	(89.45)
(Deposits in) Bank deposits (net) (Including Margin money deposit)	(494.39)	(279.11)	48.64
Advances Given	-	-	(607.22)
Advances Received back	-	-	607.22
Non-current Loans Given	-	(2,003.76)	(767.40)
Non-current Loans received back	-	3,106.20	707.80
Current Loan (Given to) / Received back (net)	3.83	(469.39)	21.53
Interest Received	345.11	467.35	497.89
Net cash used in investing activities (B)	**(4,943.03)**	**(4,698.71)**	**(3,948.03)**
C. Cash flows from financing activities			
Payment of lease liabilities	(22.14)	(25.87)	(31.26)
Increase in Service Line Contribution	107.21	59.52	25.80
Proceeds from issuance of Share Capital including share premium	-	3,850.00	-
Proceeds from Long-term borrowings	5,458.95	5,169.59	8,211.61
Repayment of Long-term borrowings	(3,277.27)	(3,573.23)	(5,564.49)
Proceeds/(repayment) from Short-term borrowings (net)	361.25	731.20	(511.05)
Gain on buy-back of bond	136.49	-	-
Payment of Dividend on Equity Shares	(85.78)	-	-
Repayment of Unsecured Perpetual Equity Instrument (including distribution)	-	(3,075.49)	(0.34)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Finance Cost paid	(3,221.95)	(2,212.50)	(2,365.13)
Net cash generated from / (used in) financing activities (C)	**(543.24)**	**923.22**	**(234.86)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**551.35**	**1.50**	**(86.28)**
Cash and cash equivalents at the beginning of the year	**190.64**	**189.05**	**263.68**
Cash and cash equivalents acquired on acquisition of transmission business	0.07	0.09	11.65
Cash and cash equivalents at the end of the year	**742.06**	**190.64**	**189.05**
Cash and Cash Equivalents includes			
Balances with banks			
In current accounts	225.15	152.55	165.85
Fixed Deposits (with original maturity for three months or less)	501.35	23.53	13.28
Cheque / Draft on Hand	14.18	14.13	9.12
Cash on Hand	1.38	0.43	0.80
Total Cash and Cash Equivalents	**742.06**	**190.64**	**189.05**

SUMMARY OF CONSOLIDATED UNAUDITED QUARTERLY FINANCIAL RESULTS FOR THE THREE-MONTHS PERIOD ENDED JUNE 30, 2024 AND JUNE 30, 2023

(*in ₹ crore*)

Particulars	**For the quarter ended June 30, 2024 (unaudited)**	**For the quarter ended June 30, 2023 (unaudited)**
Income		
Revenue from Operations	5,378.55	3,663.91
Other Income	111.42	108.34
Total Income	**5,489.97**	**3,772.25**
Expenses		
Cost of Power Purchased	1,346.15	1,154.87
Cost of Fuel	291.92	304.82
Purchases of Stock-in-Trade	165.87	0.01
Employee Benefits Expense	276.17	242.80
Finance Costs	810.93	615.67
Depreciation and Amortisation Expense	497.85	418.88
Other Expenses	1,054.11	387.64
Total Expenses	**4,443.00**	**3,124.69**
Profit Before Rate Regulated Activities, Exceptional items, Tax and Deferred Assets recoverable/adjustable for the period	**1,046.97**	**647.56**
Net movement in Regulatory Deferral Account Balances - Income/(Expenses)	(593.65)	(304.47)
Profit Before Exceptional items, Tax and Deferred Assets recoverable/adjustable for the period	**453.32**	**343.09**
Exceptional Items	(1,506.02)	-
Profit Before Tax and deferred assets recoverable/adjustable for the period	**(1,052.70)**	**343.09**
Tax Expense:		
Current Tax	43.12	112.87
Deferred Tax	93.45	47.59
Total Tax Expense	**136.57**	**160.46**
Profit After Tax for the period but before Deferred Assets recoverable/adjustable	**(1,189.27)**	**182.63**
Deferred assets recoverable/adjustable	(1.39)	(0.65)
Profit After Tax for the period	**(1,190.66)**	**181.98**
Other Comprehensive Income/(Loss)		
(a) Items that will not be reclassified to profit or loss		
- Remeasurement gain / (loss) of Defined Benefit Plan	(2.96)	0.04
- Movement in Regulatory Deferral Balance	2.78	-
(b) Tax relating to items that will not be reclassified to Profit or Loss	0.03	(0.00)
(c) Items that will be reclassified to profit or loss	94.59	(472.44)
(d) Tax relating to items that will be reclassified to Profit or Loss	(21.86)	101.35
Other Comprehensive Income/ (Loss) for the year (Net of Tax)	**72.58**	**(371.05)**
Total Comprehensive Income for the period	**(1,118.08)**	**(189.07)**
Profit/ (Loss) for the year attributable to:		
Owners of the Company	(823.92)	175.06
Non-controlling interests	(366.74)	6.92
	(1,190.66)	**181.98**
Other Comprehensive Income / (Loss) for the period attributable to:		
Owners of the Company	64.64	(330.94)
Non-controlling interests	7.94	(40.11)
	72.58	**(371.05)**
Total Comprehensive Income/ (Loss) for the period attributable to:		
Owners of the Company	(759.28)	(155.88)
Non-controlling interests	(358.80)	(33.19)
	(1,118.08)	**(189.07)**
Basic / Diluted Earnings per Equity Share (Face Value of Rs. 10 each) after Net movement in Regulatory Deferral Account Balances (Rs.) (not annualized)	(7.39)	1.57
Basic / Diluted Earnings per Equity Share (Face Value of Rs. 10 each) before Net movement in Regulatory Deferral Account Balances (Rs.) (not annualized)	(4.08)	3.34

Reservations, Qualifications and Adverse Remarks

Except for certain audit qualifications by our Statutory Auditors in Fiscal 2024 and Fiscal 2023, there no reservations, qualifications and adverse remarks by our Statutory Auditors for the previous five Fiscals and the quarter ended June 30, 2024. For details on the audit qualifications by our Statutory Auditors in Fiscal 2024 and Fiscal 2023, see *"Risk Factors - The audit reports on our audited consolidated financial statements and audited standalone financial statements for Financial Year ended March 31, 2024 and March 31, 2023 issued by our Statutory Auditors contains certain qualified opinions. Further, our Statutory Auditors have also included certain qualifications and adverse remarks pursuant to the Companies (Auditors Report) Order, 2020 ("CARO Order") in our audited consolidated financial statements for the Financial Year ended March 31, 2024 and March 31, 2023."* on page 51.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the (i) Fiscal 2024; (ii) Fiscal 2023; and (iii) Fiscal 2022, as per the requirements under IND AS 24 "Related Party Disclosures", see "*Financial Information – Fiscal 2024 Audited Consolidated Financial Statements*", "*Financial Information – Fiscal 2023 Audited Consolidated Financial Statements*" and "*Financial Information – Fiscal 2022 Audited Consolidated Financial Statements*" on pages 257, 318, and 388, respectively.

RISK FACTORS

This Preliminary Placement Document contains certain forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Preliminary Placement Document. For further information, see "Forward-Looking Statements" on page 16.

The risks described below are those that we consider to be most significant to our business, results of operations and financial conditions as of the date of this Preliminary Placement Document. However, they are not the only risks relevant to us or the Equity Shares or the industry in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business prospects, results of operations and financial condition. As a result, the trading price of the Equity Shares could decline and investors may lose part or all of their investment. In order to obtain a complete understanding about us, you should read this section in conjunction with the sections titled "Business", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations", on pages 143, 119 and 98, respectively, as well as the other financial and statistical information contained in this Preliminary Placement Document.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Industry report on power transmission and distribution, and smart metering" issued in May 2024 ("**CRISIL Report**") prepared and issued by CRISIL, appointed by us and exclusively commissioned and paid for by us in connection with the Issue. CRISIL has used various primary and secondary sources including government sources as well as international agencies to prepare the report. The data included herein includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

Prospective investors should carefully consider the following risk factors as well as other information included in this Preliminary Placement Document prior to making any decision as to whether or not to invest in the Equity Shares.

Prospective investors should pay particular attention to the fact that we are an Indian company and are subject to a legal and regulatory environment which may differ in certain respects from that of other countries. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. In making an investment decision, prospective investors must rely on their own examination of us on a consolidated basis and the terms of the Issue, including the merits and risks involved. Investors should consult their respective tax, financial and legal advisors about the particular consequences of an investment in this Issue.

Unless otherwise stated, all financial numbers are presented in crore. 1 crore is equal to 10 million. References to "we", "us" or "our" in this section refers to our Company and our subsidiaries.

Risks Related to Our Business

1. ***Changes to the regulatory environment and the laws, rules and directives of the Government of India ("GoI") may negatively impact the management of our operations and our ability to secure required approvals, permits or licenses.***

   Electricity laws in India have changed significantly over the years and continue to evolve. There are likely to be more changes, including to the Electricity Act, 2003 (the "**Electricity Act**") and related rules and regulations in the future. The Electricity Act governs power tariffs in India. The timing and content of any new law or regulation is not in our control and any changes to current regulatory bodies or existing rules and directives could have a material adverse effect on our business, prospects, financial condition and results of operations.

   For our distribution business and for some of our transmission systems that operate under a "cost-plus" basis, we submit a forecast of aggregate revenue requirements and expected revenue from the tariff and charges for each financial year for the regulator's approval. Under current tariff regulations in India, if power purchase costs are uncontrollable, we can recover these costs from consumers through tariff and fuel adjustment charges. However, recovery of these additional costs is at the discretion of the regulator and there is no assurance that we will be able to incur costs in excess of approved costs or in excess of the indicative market rates. Tariff regulations are subject to change before the start of the next multiyear tariff control period. Any such change may have a material adverse impact on our ability to recover our costs through tariffs. For example, in February 2021, MERC notified us that it had introduced a number of new measures required to be undertaken by distribution licensees in Maharashtra under the MERC (Supply Code, Standards of Performance including Power Quality) Regulations, 2021, which may result in increased compliance costs. For more details, see "-*Any changes to current tariff policies or modifications of tariffs standards by regulatory authorities could have a material adverse effect on our business, prospects, financial condition and results of operations*" on page 42.

We operate a majority of our transmission systems (31 out of 36 transmission systems, including systems under construction, as of June 30, 2024) under the tariff-based competitive bidding ("**TBCB**") route. Under the TBCB scheme, tariffs for projects are not set on a cost-plus basis but rather bidders are required to quote for tariffs over a period of 35 years from the commercial operation date of the project, for establishing transmission lines on a build, own, operate and maintain ("**BOOM**") basis. Further, the Ministry of Power has recently released certain guidelines and notifications for purposes of, amongst other things, encouraging private investment in transmission system and changing the mode of execution of transmission projects from a BOOM basis to a build-own-operate-transfer ("**BOOT**") basis. If we are not successful in bidding competitively against our competitors, including Indian and international companies which may have greater resources and expertise than us, for new transmission projects under the TBCB scheme or if we are awarded projects based on bids that we later determine to be unviable or if our revenues and expense reimbursements from such projects are not on commercial terms favorable to us, our ability to complete awarded projects profitably or at all may be adversely affected, which could materially adversely affect our business, prospects, financial condition, cash flows and results of operations.

For some of our transmission systems, we earn or expect to earn revenue from tariff determined under the TBCB route in order to encourage competition in the development of transmission projects, which would require us to place a competitive bid for schemes floated through TBCB, rather than recovering costs under the conventional "cost-plus" basis described above. Accordingly, we may face increased competition in our transmission business. For more details, see "*-we depend on our ability to successfully bid for projects under the smart metering and TBCB scheme in an increasingly competitive environment and our failure to compete effectively may adversely impact our future growth plan*." on page 41.

Additionally, the smart metering industry is subject to regulatory risks, including changes in policies related to governmental incentives, metering standards, data privacy and cybersecurity. While the GoI's push towards smart metering through initiatives like the Revamped Distribution Sector Scheme ("**RDSS**") creates new opportunities, regulatory developments in this area could impose additional costs, require technology upgrades or necessitate changes in our business to ensure compliance with new standards. Changes to the regulatory environment could also affect the financial models underpinning our smart metering projects.

The enactment of the Electricity Act has resulted in structural changes in the power sector in India, including the de-licensing of power generation, competition in supply, open access to distribution and transmission systems, the re-organization of the State Electricity Boards (the "**SEBs**") and the introduction of franchising in electricity distribution. Although such changes have provided us with the flexibility to sell power and explore business opportunities in electricity transmission, distribution and trading, they have also increased competitive pressures in our distribution business and may continue to do so in the future. In particular, the proposed amendments to the Electricity Act envisage delicensing of India's electricity distribution sector, which, if enacted, would allow any company to enter into the electricity distribution business and compete with us. Furthermore, the Electricity Act introduced parallel licensing, which allows multiple licensees to operate in the same geographic area. While parallel licensing provides us with new business opportunities, this change could lead to increased competition as new players may enter the market, potentially reducing our customer base and exerting downward pressure on tariffs. The entry of competitors with parallel licenses could also lead to a fragmented market, making it more difficult for us to achieve economies of scale and potentially impacting our profitability. In addition, the number of our competitors may increase in the future should further liberalization measures be adopted. As a result, any movement toward further liberalization of the Indian electricity sector could increase competitive pressures on us and may adversely impact our business.

With respect to potential impacts on statutory despatch bodies, in accordance with the Electricity Act, operators of the national or state transmission grids, the national load dispatch centers ("**NLDC**"), the regional load dispatch centers ("**RLDC**") and the state load dispatch centers ("**SLDC**") operate the grids as independent operators. Any negative change in the operating statutory parameters of the NLDCs, RLDCs or SLDCs may negatively impact the corresponding availability of our systems and in turn materially adversely impact our business, prospects, financial condition and results of operations. Any such unfavourable changes, particularly to tariffs, payment pooling and dispatch regulations, could have a material adverse effect on our business, prospects, financial condition and results of operations.

2. We depend on our ability to successfully bid for projects under the smart metering and TBCB scheme in an increasingly competitive environment and our failure to compete effectively may adversely impact our future growth plan.

Pursuant to the GoI's policy, all future inter-state transmission systems ("**ISTS**") and smart-metering projects are ordinarily required to be developed pursuant to a competitive bidding process. However, the GoI may exempt certain projects of strategic importance from competitive bidding, such as technical up-gradation or works required to be done to cater to an urgent situation, on a case-by-case basis. Competitive bidding is also ordinarily required to be used to set tariffs for intra-state transmission systems ("**InSTS**") that cost above a threshold that is decided by the relevant state electricity regulator. Transmission systems which are to be developed through the competitive bidding process are implemented under the TBCB scheme. The pipeline for TBCB opportunities has also narrowed in recent times, as the GoI is increasingly looking to award projects through entering memorandums of understanding with contractors and developers. A majority of InSTS projects are currently not being awarded under the TBCB scheme.

Further, the GoI may float tenders to pre-qualified bidders based on several criteria, including experience, technological capacity and performance, reputation for quality, safety record, financial strength, bonding capacity and size of previous contracts for similar projects. As a result, we may not be considered for projects where we do not meet such pre-qualification criteria, which may have a material adverse effect on our cash flows, as well as on our business, prospects, financial condition and results of operations.

The smart metering business is experiencing heavy competition as numerous players attempt to enter the market. Large Indian businesses and international companies, among others, including some that already have a presence in the Indian power sector, may seek to enter or expand their operations in the Indian transmission sector, including by pursuing forward integration strategies to extend their presence along the electricity supply chain. In addition to private sector competitors, we may also face competition from Central Transmission Utilities ("**CTU**") or State Transmission Utilities ("**STU**"), which may be able to achieve better economies of scale than us. Our financial condition and operating results depends on our ability to effectively compete with other parties to win projects under the smart-metering national programme and TBCB scheme and to manage their construction and operating expenses on projects awarded to them.

We spend considerable time and resources in the preparation and submission of bids. Government conducted tender processes may be subject to change in qualification criteria, unexpected delays and uncertainties. There can be no assurance that the projects for which we bid will be tendered within a reasonable time, or at all. If new projects which have been announced and which we plan to bid for are not put up for tender within the announced timeframe, or qualification criteria are modified such that we are unable to qualify, our business, prospects, financial condition, cash flows and results of operations could be adversely affected.

3. Any changes to current tariff policies or modifications of tariffs standards by regulatory authorities could have a material adverse effect on our business, prospects, financial condition and results of operations.

The tariffs for our distribution and some of our transmission systems are approved by electricity regulators. These tariffs typically allow for a fixed return on equity and an incentive for surpassing set targets. At periodic intervals, the regulator typically reviews the costs to be recovered as per regulations, and the actual costs recovered along with any under or excess recoveries are appropriately adjusted towards the tariffs set for the next year(s). For controllable costs, we are allowed to recover only one third of such costs from customers. In addition, during the tariff determination process, the regulator carries prudence checks on the costs submitted by us, and there is a possibility that the regulator may disallow any cost incurred by us if it is not satisfied with our justifications for the cost incurred. We are currently operating within the prescribed expenses approved by regulators and have not had material expenses disallowed by the regulators in the past. As our assets grow older, we may face the risk of exceeding the prescribed limits which may not be allowed by regulators. Any delay by the regulator in undertaking these tariff revisions or not allowing cost reflective tariffs could result in an impact on cashflows, a build-up of regulatory assets and have an adverse impact on business and financial condition.

Some of our regulators have granted provisional approvals for our tariffs. For some of our projects on the "cost plus" basis, the Central Electricity Regulatory Commission ("**CERC**") has determined the tariff for the period starting from 2020 to 2024 and the same will be trued up in accordance with the CERC Tariff Regulations. The Maharashtra Electricity Regulatory Commission ("**MERC**") has provisionally approved the tariff for April 1, 2020 to April 1, 2025, subject to mid-term review, and has revised the estimated tariff for Fiscals 2019, 2020, 2021 and 2022, and provisionally revised the tariff for Fiscal 2023, 2024 and 2025. If the trued up tariffs are set lower than the provisional tariffs or estimated tariff, our business, prospects, financial condition and results of operations could be materially adversely affected (including, without limitation, due to the occurrence of revenue reversals as a result of trued-up orders). Further, the final tariffs might be set at levels that would negatively impact the return on equity on our transmission projects and therefore would not provide the expected level of financial incentive or a satisfactory financial incentive that justifies the investments and costs we have made and incurred, and will need to continue to make and incur, for our transmission systems. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Significant Factors Affecting Our Results of Operations*" on page 99.

Further, for the purposes of determining tariff for some of our projects, the capital cost in a debt-equity ratio of 70:30 will be considered. In case the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% will be treated as a normative loan which may lead to reduced profitability and return on equity.

We have in the past and may in the future experience revenue reversals in connection with trued-up orders from regulators. Except for Fiscal 2019, where we experienced a one-time revenue reversal as a result of a trued-up order received from the MERC, we have not experienced revenue reversals as a result of trued up orders in the last five years. In the event that our revenue is reversed pursuant to a trued-up order in any particular year, our financial results for that year would not be comparable with our financial results for any preceding periods.

4. ***A delay in payments of monthly transmission charges to the CTU or an STU, or a delay in recovery or non-recovery of our receivables due from Government and other public bodies for our distribution business may adversely affect our cash flows and results of operations.***

Tariffs are collected by the CTU under a payment pooling mechanism. The payment mechanism is structured to incentivize the customers to make timely payments through rebates, and a surcharge is levied on delayed payments. The CTU collect transmission charges from customers on a monthly basis and pay these charges in the form of tariffs to transmission licensees such as us. Any shortfall in collection of transmission charges by the CTU or STU is shared on a pro-rata basis by all transmission service providers, including us. If there is any change in the parameters for tariff collection by the CTU or a failure or delay by the CTU or STUs to make the corresponding payments to us, our counterparty risk may increase significantly and our business, prospects, financial condition and results of operations may be materially adversely affected.

Our customers under the applicable regulations include generating stations, STUs, distribution licensees including state electricity boards or its successor companies, electricity departments of various states, bulk consumers and any other entity directly connected to the ISTS. Some of these customers have experienced periods of financial weakness in the past. A failure or delay on the part of any customer to make timely payments to the CTU could affect the capability of the CTU to make the corresponding payments to transmission licensees, including us. The payments received by the CTU from customers are distributed proportionally to the transmission licensees based on their billing amount. A number of factors which are beyond our control and which affect the business, prospects, financial condition, results of operations or cash flows of the customers in the delay or failure to receive payments of transmission charges.

Receivables for our distribution business include receivables due from municipal corporations, Government and quasi-Government bodies. Sometimes the settlement of dues by these entities is delayed due to either budget constraints or long bill processing schedules. Given the quasi-Government like nature of these entities, we do not terminate the supply of electricity to these entities. Moreover, while we remained operational during the COVID-19 related lockdowns as we are considered by the GoI to be essential services, we faced a brief delay of revenue collection as a result of the lockdowns. Should future lockdowns or government restrictions be imposed forcing us to shut down, or which affect our counterparties adversely and prevent them from complying with the terms of our agreements, or should the Government endorse an interpretation of force majeure clauses that excuses our counterparties from discharging their obligations under our contracts, then our business may be materially and adversely affected.

5. ***Our electricity distribution revenues are exposed to variations in demand for electricity affecting customer usage. Any reduction in demand could have a material adverse effect on our business, prospects, financial condition and results of operations.***

We entered the electricity distribution business with the acquisition of Reliance Infrastructure Limited's ("**R-Infra**") integrated power generation, transmission and distribution business for the suburban area of Mumbai city and is operated by our Subsidiary, Adani Electricity Mumbai Limited ("**AEML**"). We expanded our operations in Gujarat with the acquisition of MPSEZ Utilities Limited ("**MUL**") in 2021 for distribution of electricity in the Mundra SEZ area, Kutch, Gujarat. As of June 30, 2024, AEML catered to the electricity needs of over three million households (representing approximately 13 million distribution customers) in the suburbs of Mumbai and the Mira-Bhayander Municipal Corporation in Thane district, with a distribution system spanning over 400 sq. km. As of June 30, 2024, MUL had a distribution system spanning over 85 sq. km. The revenues from our distribution business are derived from the transported volume of electricity metered at the connections to our distribution networks. The volume of electricity used by our customers is subject to seasonal fluctuations and to a range of variables, including economic conditions, population growth, government policy, weather, alternative energy sources, technology, energy saving behaviour and the availability of adequate supplies of electricity. Accordingly, our revenues from our distribution business in the April to June quarter, and the post-monsoon months of September and October, are traditionally higher than those during the other months of the year. Economic recession and customer relocations out of a distribution area would also have a direct adverse effect on our distribution business. Our customers may also react negatively if we increase the price of our electricity in the future, which may result in reduced demand for our electricity and loss of customers to competitors who may charge lower prices than us.

Additionally, prior to our acquisition of R-Infra's distribution business in Mumbai, MERC issued an interim order on October 15, 2009, in Case No. 50 of 2009, which allowed distribution customers to continue with existing meters that belong to AEML's distribution network or opt for a meter from Tata Power Company Limited ("**TPC**") or purchase their own meter from a third party. Subsequently, on December 6, 2017, MERC issued another order which ("**Order**") allowed our distribution customers to switch over to other distribution licensee's network and vice versa, subject to their fulfilment of certain conditions. Vide this Order, MERC has also allowed continuance of the aforementioned interim order for change-over of customers. Any migration (switchover or changeover) of our customers to our competitors' distribution networks or supply could adversely affect our revenues.

6. ***Our revenue from our distribution business is currently concentrated in Mumbai. There could be a material adverse effect on our revenues and results of operations if our consumers in Mumbai source their power from other suppliers.***

While we have expanded our distribution network in the state of Gujarat with the acquisition of MUL, our revenue from our distribution business is currently concentrated in the city of Mumbai. Revenue from our distribution business in Mumbai was ₹9,781.93 crore, ₹8,357.28 crore and ₹6,908.18 crore or 96.15%, 97.27% and 99.17% of our total distribution business in Fiscals 2024, 2023 and 2022, respectively. Further, given that the license allows us to distribute electricity only in the suburbs and surrounding areas of Mumbai, we are dependent on certain key large non-retail consumers. Following the implementation of the Electricity Act, non-retail consumers with a demand in excess of one MVA are entitled to purchase power from any preferred source. If a significant number of these consumers choose to source power from other suppliers, our revenue and results of operations could be materially and adversely affected.

7. ***Failure to maintain or obtain required licenses and accreditation could have a material adverse effect on our business, prospects, financial condition and results of operations.***

We require certain approvals, licenses, registrations and permissions to operate our businesses. We have been granted licenses under the Electricity Act for transmission of electricity in the Indian states of Gujarat, Maharashtra, Rajasthan, Uttar Pradesh, Bihar, Madhya Pradesh, Andhra Pradesh, Karnataka, Chattisgarh and Haryana for 25-year terms, as specified under the individual licenses. We also have a license granted under the Electricity Act to distribute electricity in the suburbs and surrounding areas of Mumbai, which will expire on August 15, 2036 , and a license for 25 years, from the date of the of the notifications no. S.O 1365 (E) dated May 27, 2009 of the Department of Commerce, Ministry of Commerce & Industry, Government of India, as amended, to distribute electricity in the state of Gujarat.

We have also applied for licenses to operate parallel distribution lines in Mundra subdistrict, Navi Mumbi and Thane and Gautam Buddha Nagar. As of the date of this Preliminary Placement Document, our petition to obtain such licenses remain pending with the regulators. There can be no assurance that we will be able to obtain such licenses and in the event that we are unable to obtain such licenses, we would not be able to operate parallel distribution lines in such areas.

Moreover, certain of our licenses contain restrictions that may impact our operational flexibility. For example, the license granted to MUL by Gujarat Electricity Regulatory Commission restricts MUL from merging its utility with the utility of any other licensee and restricts the transfer, sale, lease, or exchange of its utility with any other licensee without the prior approval of the Commission. Similarly, AEML is subject to intimation and consent requirements under the terms of its license for the creation of encumbrances and changes in shareholding patterns and management control. Non-compliance with these restrictions could result in penalties, revocation of licenses, or other regulatory actions that could have a material adverse effect on our business, prospects, financial condition, and results of operations.

Our transmission and distribution licenses may be revoked or may not be granted by the relevant regulators prior to the expiry date in certain circumstances, including a wilful and prolonged default by us for example, though our inability to satisfy our universal services obligation, our inability to make statutory payments or our consistent failure to meet the standard of performance prescribed under the license, or any adverse findings of any independent body appointed to review our operations. In addition, regulators may revoke our license if our financial condition is such that we would be unable to fully and efficiently discharge the duties imposed under such license. Approvals, licenses, registrations and permits which have been issued to us could be suspended or revoked due to our non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action against us.

We may fail to obtain, retain or renew any approvals, licenses, registrations or permissions essential to our businesses, or fail to comply with the conditions prescribed therein. Furthermore, any such approvals, licenses, registrations or permissions could be withdrawn or subject to onerous conditions, which may require us to expend substantial capital, or any applicable regulation or method of implementation could change. If we fail to obtain, renew or maintain, or relevant authorities suspend or revoke, the required permits or approvals at the requisite time, it may result in penalties or interruption of our operations and may have a material adverse effect on our business, prospects, financial condition and results of operations.

8. ***The operation and maintenance of our transmission and distribution systems involves significant risks that may cause injury to people or property and that may lead to significant disruption to our business and consequent decreases in our revenues.***

The operation and maintenance of our transmission lines, power substations and distribution systems involves significant risks and a number of factors could increase our maintenance needs, reduce the availability of our systems, or result in forced outages, suspension of our operations, personal injury, loss of life, or damage to property. These factors include:

- the inability to operate our systems due to failure to meet licensing requirements or to obtain, maintain or renew permits and licenses;

- operator error, improper installation or mishandling of equipment;
- interruptions in the power supply;
- breakdown or failure of power generation equipment or transmission systems;
- flaws in equipment design or construction of power lines or substations;
- work stoppages or labour disturbances or disputes;
- performance of our equipment below expected levels of output or efficiency;
- environmental issues affecting the operations of our systems;
- planned or unplanned power outages; and
- *force majeure* and catastrophic events, including fires, explosions, landslides, storms, floods, earthquakes and terrorist acts.

If any of these risks or any similar risks materialize, our ability to deliver power through our systems could be adversely affected. In particular to our transmission systems, if we are unable to maintain at least 95% availability thresholds for our high voltage direct current ("**HVDC**") line and 98% availability thresholds for our alternating current ("**AC**") lines, our revenues will be reduced according to the applicable tariff regime. Furthermore, the relevant authorities may increase the minimum availability thresholds applicable to us. We may also face reputational risks which could affect our ability to bid for future projects, and we may face potential claims for loss of business or for damages if we are unable to deliver power. Any of these circumstances could materially adversely affect our business, prospects, financial condition and results of operations.

In addition, our business requires our employees and contractors to work under potentially dangerous circumstances, with highly flammable and explosive materials. Despite our attempted compliance with the requisite safety requirements and standards, our operations are subject to hazards associated with the handling of such dangerous materials. If improperly handled or subjected to unsuitable conditions, such dangerous materials, could injure our employees, contract laborers or other persons, damage our properties and properties of others or harm the environment. Due to the nature of these materials, we may be liable for certain costs, including costs for health-related claims, costs for the removal or treatment of hazardous substances, or costs from claims and litigation from our current or former employees for injuries arising from occupational exposure to materials or other hazards at our power substations and transmission facilities. This could subject us to significant disruption in our business and to legal and regulatory actions, which could materially adversely affect our business, prospects, financial condition and results of operations.

9. Implementation projects based on the BOOM or BOOT models may not yield the intended benefits which may adversely impact our business, prospects, financial condition and operations.

We intend to continue to participate in BOOM and BOOT opportunities on the basis that this business model is not dependent on the demand and supply of power, and revenues are dependent on the availability of the transmission systems and smart-meters maintained by us. In addition, we expect our projects based on the BOOM and BOOT models to provide a certain revenue stream since the tariff amount is determined up front for a period of typically 35 years. However, the projected yield which we anticipate at the point of bidding may not materialize. Separately, we may be subject to penalty payments if our transmission systems are unable to maintain at least 95% availability for HVDC transmission systems and 98% availability for AC transmission systems. Accordingly, we may not be able to realize the anticipated benefits from such projects.

10. We are dependent on Tata Power Company Limited ("TPC") for payment of various charges due to us from them for consumers using our distribution network. Any failure by TPC to pay us, for any reason whatsoever, may adversely affect our business, results of operations and cash flows

MERC, in its tariff order dated March 30, 2020, approved the aggregate revenue requirement and determined the tariff for our distribution business for Fiscals 2021 to 2025. As part of the tariff order, we are permitted to charge wheeling charges towards capital and operating expenditure of the distribution network and cross-subsidy surcharge to changeover consumers (consumers supplied by TPC), so as to supply power at cheaper rates to low-end and below-poverty-line consumers. As the wheeling charges and cross-subsidy surcharge levied on changeover consumers is paid to us by TPC, any failure by TPC to pay us, for any reason whatsoever, may adversely affect our business, results of operations and cash flows.

11. ***We have substantial borrowings which requires significant cash flows to service and limits our ability to operate freely. If we were to default in the repayment of our debt or not comply with the terms of our loan agreements, our business, prospects, financial condition and results of operations could be materially adversely affected.***

As of March 31, 2024, our total borrowings (non-current borrowing and current borrowing) were ₹37,008.87 crore. We will continue to incur significant borrowings in the future. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business. We may not be able to pay our debt obligations in a timely manner or at all. Furthermore, a default under our loans could occur due to factors beyond our control. If we fail to meet our debt service obligations or if a default otherwise occurs, our lenders could declare us in default under the terms of our borrowings and accelerate the maturity of our obligations. In the event of any such acceleration, we may not have sufficient resources to repay these borrowings. Any such default and acceleration could have a material adverse effect on our business, prospects, financial condition and results of operations.

Our financing agreements include various conditions and covenants restricting certain activities and certain transactions. Specifically, we may require, and may be unable to obtain, lender consents to:

- declare or pay dividends;
- effect any merger, demerger, consolidation, reorganization, scheme of arrangement or compromise or amalgamation;
- incur any debt in excess of what is permitted thereunder;
- amend or modify our constitutional documents;
- change the general nature of our business; and
- create any lien or other encumbrance on any of our assets which are securities, such as shares in our Subsidiaries.

Our financing agreements also require us to maintain certain financial ratios, such as a maximum total outstanding liabilities to tangible net worth ratio, a minimum debt service coverage ratio and a maximum debt to net fixed assets ratio. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Indebtedness*" on page 112.

Any failure to comply with the requirement to obtain a consent, or other condition or covenant under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under such facilities and trigger cross-default provisions under certain of our other financing agreements. In the event of any such acceleration, we may not have sufficient resources to repay these borrowings. If we are unable to repay certain of our borrowings which are secured by our assets, the creditors may enforce liens on such assets. Failure to meet our obligations under the debt financing arrangements could have a material adverse effect on our business, prospects, financial condition and results of operations.

12. ***Our current and future projects may be subject to cost overruns or delays. Any such cost overruns or delays may adversely affect our business, results of operations and cash flows.***

The development of our projects is subject to substantial risks, including various planning, engineering and construction risks. Development of projects involve multiple steps, including conducting feasibility studies (if necessary), entering into construction contracts and long-term service agreements with contractors with sufficient expertise, purchasing necessary transmission equipment; obtaining required licenses and complying with on-going requirements under such licenses, obtaining government permits and approvals; procuring sufficient equity capital and debt financing, and entering into electricity transmission agreements.

We may face unexpected delays in the development of our transmission, distribution and smart metering projects such as in obtaining regulatory approvals or permits, unavailability of equipment or supplies, work stoppages, labor or social unrest, adverse weather conditions, delays in construction or production, unforeseen construction or installation-related and/or operational delays and defects such as delays in tower testing and any need to realign transmission lines that interfere with other parallel transmission lines under construction, delivery failures by contractors, increased cost of raw materials, unavailability of adequate funding, failure meet required specifications, legal actions brought by third parties, changes in government, regulatory and tax policies, and adverse trends in the electricity transmission industry or general economic conditions in India.

We are required to obtain right of way to expand transmission lines and find suitable, available land to construct substations. This can involve obtaining permission to clear forests that block our projects. We have limited control over the land acquisition process, both in terms of timing and ability to obtain the land on commercially acceptable terms, as they need to acquire land through the state governments or from private landowners. Similarly, we have limited control over the obtaining of permission to clear forests that block the projects.

Our transmission projects are at times connected to other developers' upstream/downstream inter-connecting transmission projects. Delays in our project's commissioning could affect the commissioning timelines of these inter-connecting transmission projects. In case of such delays, we may be responsible for paying the prescribed transmission charges to the non-delaying parties for the duration of the delay until our project is commissioned.

In addition, there may be legal defects and irregularities of title to the land on which we intend to develop a project. Our rights in respect of such land may be compromised by improperly executed, unregistered or insufficiently stamped conveyance instruments in the property's chain of title, unregistered encumbrances in favor of third parties or other defects that we may not be aware of. Any defects or irregularities of title, any inability to identify and/or rectify defects or irregularities of title, and any acquisition of land based on inaccurate, incomplete or outdated information may result in the loss of development rights over land, causing a material adverse effect on our business, prospects, financial condition and results of operations.

If any of these risks materialize, it could give rise to delays, cost overruns, lower or no returns on capital, erosion of capital and reduced revenue. In case of TBCB projects, if commissioning is delayed beyond its scheduled commercial operations date ("**SCOD**") due to force majeure events, commissions typically grant an extension of the SCOD and waive liquidated damages under the transmission service agreement. However, no relief or compensation for any interest during construction and incidental expenditure during construction is typically granted in such cases. For example, the Fatehgarh-Bhadla transmission system developed by Fatehgarh-Bhadla Transmission Limited ("**FBTL**") had an original SCOD on September 30, 2019, but faced delays due to various issues, including the need to reroute the transmission line to avoid a breeding ground for an endangered bird species. This rerouting led to an increase in the length of the transmission line and subsequent delays in obtaining necessary clearances for including those from the Defence Department. FBTL sought an extension of the COD and compensation for the increased costs from the CERC. The CERC, in its order, recognized the imposition of the condition to reroute the transmission lines by forest authorities and the conditional clearance granted by the Defence Department as events of change in law and force majeure under FBTL's TSA and extended the SCOD to August 1, 2021. The CERC also allowed an increase in non-escalable transmission charges due to the increase in line length and the need to comply with clearance conditions. However, the CERC rejected FBTL's claim for loss of tariff due to the delay in achieving COD and the claim for carrying costs.

Furthermore, we may be required to provide performance guarantees to our customers, and if we fail to complete a project as scheduled, we may be held liable for penalties in the form of liquidated damages. In addition, failure to complete a project according to its original specifications or schedule or at all may give rise to potential liabilities under our contracts with regulators. Potential liabilities that may arise from delays or shortfalls in performance may not be covered by our insurance policies and the damages claimed from the responsible contractors may not be adequate to cover any loss of profits resulting from such delays, shortfalls or disruptions. If any delay in completion of the projects were to occur, such delays could materially adversely affect our business, prospects, financial condition and results of operations.

13. Due to long construction periods of our projects, the operation and maintenance costs of our projects may change significantly after a project is commissioned. As the terms and conditions, including the tariff structure, under the Transmission Service Agreements ("TSAs") and Bulk Power Transmission Agreements ("BPTAs") are generally fixed, we may not be able to offset any increase in costs, including operation and maintenance costs, solely from tariffs payable to us under the TSAs and BPTAs.

The tariff structure for our transmission systems under the TSAs and BPTAs is largely fixed for the entire term of the TSAs or BPTAs. However, operation and maintenance costs of the portfolio assets may increase over time due to factors beyond our control, including the following:

- increase in the cost of labor, raw materials and insurance on account of inflation;
- restoration costs in case of events such as floods, natural disasters and accidents;
- adverse weather conditions;
- unforeseen regulatory changes, legal, tax and accounting liabilities; and
- other unforeseen operational and maintenance costs.

We may not be able to offset increased operation and maintenance costs as the tariff is fixed under the TSAs and BPTAs, and as the escalable component forms only a small portion of the tariff payable to us, it may be insufficient to offset such cost increases. Additionally, as the escalable portion of our tariff is linked to inflation, there can be no assurance that adjustments of the escalable tariff will be sufficient to cover increased costs resulting from inflation. Significant increase in operation and maintenance costs may reduce our profits, could expose us to penalties under the TSAs and could adversely impact our business, prospects, financial condition, results of operations and cash flows.

14. ***Our performance in providing uninterrupted electricity supply is dependent on various third parties. Failure to supply power to our consumers may have a significant adverse effect on our reputation, business, revenues, results of operations and prospects.***

Unplanned outages of any of our generating stations, failure in our transmission systems, failure in inter-regional transmission as a result of inadequate inter-regional transmission capacity and consequent network congestion, or failure in distribution systems could prevent us from supplying power to our consumers. For example, on July 30 and 31, 2012, India experienced grid disturbances which caused large-scale power outages in three of India's five interconnected power grids. The grid disturbances were caused by a combination of factors, including weakened inter-regional corridors affected by multiple outages on other transmission lines, a delay or refusal by power generators to reduce power generation at the time of reduced demand and overdrawing of electricity by some of the provincial utilities. More recently, on October 12, 2020, we experienced a partial transmission grid failure which disrupted our ability to supply electricity to our customers. Although we employ modern methods for maintenance, load dispatch, and communications systems to avoid such outcomes, disruption in our electricity supply may still occur. The occurrence of these or other similar events could have a material adverse effect on our reputation, business, financial condition, revenues and results of operations.

15. ***We are subject to risks associated with the engagement of third-party contractors, suppliers and manufacturers and any failure by these third parties may adversely impact our operations.***

We undertake the construction of the relevant infrastructure and substations for our projects through third party contractors and suppliers and are dependent on the skills of these third party contractors for the construction and installation of the transmission, distribution and smart-metering projects and the supply of most infrastructure and equipment. Our selection criteria for contractors are primarily based on their execution capability, track record, technical experience and financial position requirements of the projects. The availability of competent construction companies may be limited due to the experience, skills and competence required for the construction of large and complex power transmission projects and the shortage of construction companies available to undertake these types of projects.

We have limited control over the quality of services, equipment or supplies provided by these contractors and may be exposed to risks relating to the timely delivery and the quality of the services, equipment and supplies provided by the contractors necessitating additional investments by us to ensure the adequate performance and delivery of contracted service. We do not have full direct control over the day-to-day activities of the third-party contractors and rely on such contractors performing their tasks and services in accordance with the relevant contracts. We may not be able to claim damages for indirect losses and losses which exceed the contract price from the supplier in case of their default.

If the performance of contractors is inadequate, this could result in incremental cost and time overruns which in turn could adversely affect our future projects and expansion plans. If we are not able to outsource certain project aspects to competent contractors on a timely basis, or on terms that provide for the timely and cost-effective execution of its projects, we may be delayed in completing projects and the applicable returns on its projects may be adversely affected. Our budgeted costs for power projects are calculated on the basis of management estimates and the occurrence of any contingencies beyond our control may adversely affect the returns from the affected project.

Contractors and suppliers in the transmission business are generally subject to liquidated damages payments for performance shortfalls and they may also give limited warranties in connection with design and engineering work as well as provide guarantees and additional liabilities. However, liquidated damages provisions and guarantees are available for a limited time period from the commissioning date and may not address all losses, damages or risks or cover the full loss or damage suffered due to construction delays or performance shortfalls.

Our smart metering business involves installing, operating and maintaining smart meters used to provide public service on a "Design-Build-finance-Own-Operate-Transfer" ("**DBFOOT**") basis. We do not manufacture our own smart meters and must rely on third-party manufacturers. We do not directly control the manufacturing processes and must rely on the quality assurance and timely delivery of smart meters from our partners. Any disruptions in the supply chain, technical issues, or financial instability of our smart meter manufacturers could lead to delays or increased costs for our smart metering projects and could have a material adverse effect on our reputation, business, financial condition, revenues and results of operations.

Furthermore, there is no assurance that the contractors will not violate any applicable laws and regulations, including environmental laws and regulations, in their provision of services. If our contractors are involved in any material breach of applicable laws and regulations, we may not be able to continue with the relevant contracting agreement with such contractor or be able to replace such contractors on similar terms or terms acceptable to us or at all.

16. ***Certain Adani portfolio entities are currently subject to regulatory and adjudication proceedings and investigation by regulatory and statutory authorities in relation to the allegations made in a short seller's report. If the Adani portfolio entities are found to be in breach of applicable laws, they may be subject to penalties and regulatory action.***

A report was published on January 24, 2023 by a short seller (the "**Short Seller's Report**") addressed to the "Adani Group". The Short Seller's Report contained certain allegations and questions pertaining to some of the Adani portfolio companies, such as Adani Enterprises Limited ("**AEL**"), Adani Ports and Special Economic Zone Limited, Adani Power Limited, Adani Green Energy Limited, Adani Total Gas Limited, Adani Wilmar Limited and our Company. The allegations and questions in the Short Seller's Report were in relation to alleged non-compliance of minimum public shareholding, non-disclosures of related party transactions and stock price manipulation, among other things. The response to various allegations levelled in the Short Seller's Report was submitted by AEL to the Indian Stock Exchanges on January 29, 2023, which is available on AEL's website.

In connection with the allegations levelled in the Short Seller's Report, certain Adani portfolio entities (including our Company) are under regulatory and adjudication proceedings and investigation by regulatory and statutory authorities in India. As part of the regulatory and adjudication proceedings and investigation by regulatory and statutory authorities, certain Adani portfolio entities (including our Company) have received show cause notices from SEBI. The show cause notice received by our Company pertain to alleged violation of the provisions of the SEBI Listing Regulations and the erstwhile Equity Listing Agreement with respect to the validity of the peer review certificate of one of the former statutory auditors of our Company during certain previous financial years. Such Adani portfolio entities (including our Company) have responded to and/or are in process of responding to the regulatory and statutory authorities by providing information, responses, documents and/or clarifications, as applicable. The regulatory and statutory authorities have broad powers to take action or issue directions in the interest of investors and the securities market, including, among others, through the imposition of monetary penalties, debarment from accessing capital markets, restrictions on undertaking certain activities, restriction on holding position as key managerial personnel in any listed company or its subsidiaries, issuing direction impacting or resulting in revisiting their financial statements. It is not possible to predict the timing or outcome of such investigation and/or legal proceedings pursuant thereto. In case any adverse findings, order or judgement is made by a court or competent authority against a relevant Adani portfolio entity, then such relevant Adani portfolio entity (including our Company) may have to expend resources and divert the time of its board of directors and the senior management to defend itself against such order or judgement. Any failure on behalf of the relevant Adani portfolio entities (including our Company) to successfully challenge such adverse order or judgment before a court or competent authority may have an adverse effect on the continuity of the relevant company's or Adani portfolio entities' business and operations, and may affect its financial position, including the profitability as well as the price of its securities in an adverse manner.

After the publication of the Short Seller's Report, few public interest litigations were filed before the Supreme Court in relation to the said report, pursuant to which the Supreme Court constituted an expert committee (the "**Expert Committee**") on March 2, 2023. The Expert Committee, in its report dated May 6, 2023, submitted certain updates to the Supreme Court in relation to the ongoing investigations. After hearing all the concerned parties, the Supreme Court delivered its judgment on January 3, 2024 and disposed of the said public interest litigations.

Adani portfolio entities carry out their operations and business across various jurisdictions, including in India, Australia, Singapore, and the United Arab Emirates, and have issued foreign currency bond offerings (including under Rule 144A of the Securities Act) in the past. The governmental and/or regulatory authorities (including the securities regulators in India and overseas) in certain jurisdictions are conducting inquiries or investigations as per their respective laws (whether applicable to the relevant Adani portfolio entities or not). Negative consequences following from alleged non-cooperation with, or unfavorable outcomes of, any such investigations could include penalties, both financial and non-financial (including, among others, prosecution and prohibition on accessing overseas capital markets), that could have a material adverse effect on their business, results of operations and financial condition in future periods and their reputation.

17. ***There are claims made against our Company, our directors or Promoters from time to time that can result in litigation or regulatory proceedings which could result in liability or harm our reputation.***

From time to time, we and/or our directors and management are involved in litigation, claims and other proceedings relating to the conduct of our business, including environmental claims, non-compliance with provisions of our various licenses, tax disputes and proceedings involving the securities dealings of our directors. Any claims could result in litigation against us and could also result in regulatory proceedings being brought against us by various government and state agencies that regulate our business, including the Ministry of Environment, Forest and Climate Change ("**MoEF**"), the CERC, the MERC and SEBI. Often these cases raise complex factual and legal issues, which are subject to risks and uncertainties and which could require significant time from our directors and/or our management or Promoters. Litigation and other claims and regulatory proceedings against us or our management could result in unexpected expenses and liabilities and could also materially adversely affect our business, prospects, financial condition and results of operations.

Currently, there are outstanding legal proceedings against us that are incidental to our business and operations, including certain criminal proceedings against certain of our Directors, Promoters and our Material Subsidiaries. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals. For further details, see "*Legal Proceedings*" on page 232.

Further, an adverse outcome in any of these proceedings may affect our reputation, standing and future business, and could have an adverse effect on our business, prospects, financial condition and results of operations. We cannot assure you that any of these proceedings will be decided in favour of our Company, our Directors, our Promoters, or our Subsidiaries, or that no further liability will arise out of these proceedings. We may also be subject to inspections, investigations and fines in the future, which may materially adversely affect our business, prospects, financial condition and results of operations.

18. ***We depend on our Adani Dahanu Thermal Power Station ("ADTPS") as a source of power generation. Failure to obtain sufficient coal supplies for ADTPS in a timely manner, on appropriate terms and at competitive prices may have a material adverse effect on our business, financial condition and results of operations.***

AEML owns and operates a washed coal-fired 500 MW thermal power plant, ADTPS, at Dahanu in the state of Maharashtra located approximately 120 kilometers from AEML's licensed distribution area in Mumbai. The power supply from ADTPS represents approximately 26% of the power distributed in AEML's licensed area in Mumbai as of March 31, 2024. Any disruption in the operations of ADTPS may impact our ability to distribute electricity to our customers and have a material adverse effect on our business and results of operations. See also "*–Upgrading or renovation work or physical damage to our generation, transmission distribution or smart metering systems may disrupt our operations*".

We are dependent on Government-owned entities, which are the sole suppliers of domestically produced coal in India, for the supply of all domestic coal to ADTPS, and on the Government-owned Indian Railways for transporting such coal to our power plant. We cannot assure you that such entities will continue to be able to supply sufficient quantities of coal to the power plant. Factors including, without limitation, any delays or interruption in the supply of coal, any increase in the cost of such fuel or any deterioration in relationships between us and our suppliers may have an adverse effect on the costs allocated for our projects.

In addition, the Government-appointed coal linkage committee determines the amount of coal that we and other users of coal can source from a particular mine. The quality of coal, especially its carbon content, may vary significantly depending on the quality of the reserves from which the coal originates. Any deterioration in the quality of the coal supplied to us may adversely impact our ability to generate sufficient power and may have an adverse impact on our operations.

We import coal to supplement our domestic coal allocation. Pursuant to Notification Nos 56/2015-20 dated January 28, 2021, and 34/2023 dated October 4, 2023, the Coal Import Monitoring System (the "**CIMS**") was introduced with effect from April 1, 2021, which requires coal importers to submit advance information through an online system wherein, the importer can apply for online registration not earlier than the 60th day and up until the arrival date of the import consignment at the gateway port. Further, the boilers at ADTPS are designed to fire low gross calorific value domestic coal. It is therefore not technically feasible for us to use high gross calorific value imported coal as a sole source of fuel, and it must be blended with domestic coal. Hence, the availability and supply of domestic coal remains an important part of our operations. Therefore, our ability to source foreign coal is not sufficient for us to ensure continued operations in the absence of, or a shortfall in, the supply of domestic coal.

Most of our imported coal is sourced from Indonesia. Any changes to the legal and regulatory regime on mineral and coal mining in Indonesia may affect the way we procure coal and may consequently affect our costs, revenues and business prospects. Our dependence on a few coal suppliers for electricity generation exposes us to operational risks, such as non-supply due to reserves depletion, pro-rata scaling down of supply to all consumers, onerous contractual terms (penalties for short supply) and an inability to obtain alternative fuel at short notice. Failure to obtain sufficient coal supplies for our electricity generation plant in a timely manner, on appropriate terms and at competitive prices may have a material adverse effect on our revenues, financial condition and results of operations.

AEML is in the process to divest ADTPS to honor its ESG commitment. The board of directors of AEML, pursuant to the resolution passed at its meeting concluded on July 24, 2024, has approved the divestment of ADTPS to one of its related parties, subject to requisite regulatory approval at the transaction price of ₹815.00 crore against the carrying value in books of ₹2,321.02 crore and hence ₹1,506.02 crore has been charged in the statement of profit and loss as exceptional item in accordance with Ind AS 105.

19. We suffer distribution losses in the delivery of the electricity which may adversely impact our operations, financial condition and results of operations.

Distribution losses refer to the losses incurred during the distribution of electricity through a network which is not billed by the distributor. These losses are generally caused by technical effects such as energy losses in the form of transformer loss, heat given off by cables, faulty metering and theft. AEML's distribution losses for Fiscals 2024, 2023 and 2022 amounted to 5.29%, 5.93% and 6.55% of the total electricity delivered by us to the system, respectively. There can be no assurance that we will be able to reduce the distribution losses or prevent them from increasing in the future. Further, in the event the distribution losses exceed the thresholds prescribed by the regulators, our revenue, financial condition and results of operations may be adversely affected.

20. The audit reports on our audited consolidated financial statements and audited standalone financial statements for Financial Year ended March 31, 2024 and March 31, 2023 issued by our Statutory Auditors contains certain qualified opinions. Further, our Statutory Auditors have also included certain qualifications and adverse remarks pursuant to the Companies (Auditors Report) Order, 2020 ("CARO Order") in our audited consolidated financial statements for the Financial Year ended March 31, 2024 and March 31, 2023.

The audit reports on our audited consolidated financial statements for Financial Year ended March 31, 2024 and March 31, 2023 issued by our Statutory Auditors contains certain qualified opinions and basis for qualified opinions. The details of these are as follows:

March 31, 2024

Qualified Opinion

1. *"We have audited the accompanying consolidated financial statements of Adani Energy Solutions Limited (formerly known as Adani Transmission Limited) ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure A, which comprise the Consolidated Balance Sheet as at 31 March, 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information."*

2. *"In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, 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 ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March, 2024, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date."*

Basis for Qualified Opinion

1. *"As stated in note 64 to the accompanying consolidated financial statements, a Short Seller Report was published during the previous year in which certain allegations were made on certain Adani Group Companies, including the Holding Company and its subsidiaries. The management based on internal evaluation and an independent assessment from an external law firm has represented that the Holding Company and its subsidiaries are in compliance with the requirements of applicable laws and regulations and therefore these consolidated financial statements do not warrant any adjustment in this regard. However, pending adjudications / outcome of the investigations by the Securities and Exchange Board of India and based on our review of related documents, we are unable to comment on the possible adjustments and /or disclosures, if any, that may be required in the accompanying consolidated financial statements in respect of the above matter.*

   The audit report dated 29 May, 2023 issued by the predecessor auditor on the consolidated financial statements of the Group for the year ended 31 March, 2023 was also qualified in respect of the this matter."

March 31, 2023

Qualified Opinion

1. *"We have audited the accompanying consolidated financial statements of Adani Transmission Limited ("the Parent")*

and its subsidiaries, (the Parent and its subsidiaries together referred to as "the ATL Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, 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."

2. *"In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of subsidiaries referred to in the Other Matters section below, except for the possible effects of the matter described in the Basis for Qualified Opinion 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 ATL Group as at March 31, 2023, 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 Qualified Opinion

1. *"The ATL Group had purchases, sales and financing transactions (including equity) with/by certain parties including those identified in the allegations made in the Short Seller Report. The ATL Group has represented to us that there is no effect of the allegations made in the Short Seller Report on the consolidated financial statements based on their evaluation and after consideration of a memorandum prepared by an external law firm on the responses to the allegations in the Short Seller Report issued by the Adani group. The ATL Group did not consider it necessary to have an independent external examination of these allegations because of their evaluation and the ongoing investigation by the Securities and Exchange Board of India as directed by the Hon'ble Supreme Court of India. The evaluation performed by the ATL Group, as stated in Note 59 to the consolidated financial statements, does not constitute sufficient appropriate audit evidence for the purposes of our audit. In the absence of an independent external examination by the ATL Group and pending completion of investigation, including matters referred to in the Report of the Expert Committee constituted by the Hon'ble Supreme Court of India as described in Note 59 to the consolidated financial statements, by the Securities and Exchange Board of India, we are unable to comment on whether these transactions or any other transactions may result in possible adjustments and/or disclosures in the consolidated financial statements in respect of related parties, and whether the ATL Group should have complied with the applicable laws and regulations."*

The audit reports on our audited standalone financial statements for Financial Year ended March 31, 2024 and March 31, 2023 issued by our Statutory Auditors contains certain qualifications. The details of these are as follows:

March 31, 2024

Qualified Opinion

1. *"We have audited the accompanying standalone financial statements of Adani Energy Solutions Limited (formerly known as Adani Transmission Limited) ('the Company'), which comprise the Balance Sheet as at 31 March, 2024, 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 notes to the standalone financial statements, including material accounting policy information and other explanatory information."*

2. *"In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, 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 ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2024, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date."*

Basis for Qualified Opinion

1. *"As stated in Note 52 to the accompanying standalone financial statements, a Short Seller Report was published during the previous year in which certain allegations were made on certain Adani Group Companies, including the Company and its subsidiaries. The management based on internal evaluation and an independent assessment from an external law firm has represented that the Company and its subsidiaries are in compliance with the requirements of applicable laws and regulations and therefore these standalone financial statements do not warrant any adjustment in this regard. However, pending adjudications / outcome of the investigations by the Securities and Exchange Board of India and based on our review of related documents, we are unable to comment on the possible adjustments and /or disclosures,*

if any, that may be required in the accompanying standalone financial statements in respect of the above matter.

The audit report dated 29 May, 2023 issued by the predecessor auditor on the standalone financial statements of the Company for the year ended 31 March, 2023 was also qualified in respect of this matter."

March 31, 2023

Qualified Opinion

1. *"We have audited the accompanying standalone financial statements of Adani Transmission Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, 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."*

2. *"In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section below, 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 March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date."*

Basis for Qualified Opinion

1. *"The Company had purchases, sales and financing transactions (including equity) with/by certain parties including those identified in the allegations made in the Short Seller Report. The Company has represented to us that there is no effect of the allegations made in the Short Seller Report on the Standalone Financial Statements based on their evaluation and after consideration of a memorandum prepared by an external law firm on the responses to the allegations in the Short Seller Report issued by the Adani Group. The Company did not consider it necessary to have an independent external examination of these allegations because of their evaluation and the ongoing investigation by the Securities and Exchange Board of India as directed by the Hon'ble Supreme Court of India. The evaluation performed by the Company, as stated in Note 50 to the standalone financial statements, does not constitute sufficient appropriate audit evidence for the purposes of our audit. In the absence of an independent external examination by the Company and pending completion of investigation, including matters referred to in the Report of the Expert Committee constituted by the Hon'ble Supreme Court of India as described in Note 50 to the standalone financial statements, by the Securities and Exchange Board of India, we are unable to comment on whether these transactions or any other transactions may result in possible adjustments and/or disclosures in the standalone financial statements in respect of related parties, and whether the Company should have complied with the applicable laws and regulations."*

The auditor's report on our audited consolidated financial statements on internal financial controls over financial reporting of the Company and its subsidiary companies as at March 31, 2024 and March 31, 2023 contains the following qualified opinion and basis for qualified opinion:

March 31, 2024

Qualified Opinion

1. *"According to the information and explanation given to us and based on our audit, pending adjudication/ outcome of the investigations by the Securities and Exchange Board of India as stated in the 'Basis for Qualified Opinion' paragraph of our audit report, and the consequential impact it may have on the Group's processes and internal controls including related party transactions and compliance with applicable laws and regulations, to that extent we are unable to comment on whether there is any material weakness in the Group's internal controls as at 31 March, 2024."*

2. *"A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the Holding company's annual or interim financial statements will not be prevented or detected on a timely basis."*

3. *"In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Holding Company and its subsidiary companies which are companies covered under the Act, have, in all material respects, adequate internal financial*

controls with reference to financial statements and such controls were operating effectively as at 31 March, 2024, based on the internal financial controls with reference to financial statements 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 ICAI."

4. *"We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Group as at and for the year ended 31 March, 2024, and we have issued a qualified opinion on the said consolidated financial statements of the Group."*

March 31, 2023

Basis for Qualified Opinion

1. *"According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2023:*

   The ATL Group did not have an appropriate internal control system in respect of conducting an external examination of allegations made on the ATL Group, including on related party relationships, which could potentially result in possible adjustments/disclosures of related party relationships, balances and transactions in the consolidated financial statements and compliance with applicable laws and regulations.

   A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to consolidated financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis."

Qualified Opinion

1. *"In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph below, except for the possible effects of the material weakness described in Basis for Qualified Opinion section above on the achievement of the objectives of the control criteria, the Parent and its subsidiary companies, which are companies incorporated in India have, in all material respects, maintained adequate internal financial controls with reference to consolidated financial statements as of March 31, 2023, based on the criteria for internal financial control with reference to consolidated financial statements 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, were operating effectively as of March 31, 2023."*

2. *"We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated Ind AS financial statements of the Parent for the year ended March 31, 2023, and we have issued a qualified opinion on the said consolidated financial statements."*

The auditor's report on our audited standalone financial statements on internal financial controls over financial reporting of the Company and its subsidiary companies as at March 31, 2024 and March 31, 2023 contains the following qualified opinion and basis for qualified opinion:

March 31, 2024

Qualified Opinion

1. *"According to the information and explanation given to us and based on our audit, pending adjudication/ outcome of the investigations by the Securities and Exchange Board of India as stated in the 'Basis for Qualified Opinion' paragraph of our audit report, and the consequential impact it may have on the Company's processes and internal controls including related party transactions and compliance with applicable laws and regulations, to that extent we are unable to comment on whether there is any material weakness in the Company's internal controls as at 31 March, 2024."*

2. *"A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis."*

3. *"In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has, in all material respects, adequate internal financial controls with*

reference to financial statements and such controls were operating effectively as at 31 March, 2024, based on the internal financial controls with reference to financial statements 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 ICAI."

4. *"We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company as at and for the year ended 31 March, 2024, and we have issued a qualified opinion on the said standalone financial statements."*

March 31, 2023

Basis for Qualified Opinion

1. *"According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2023:*

   The Company did not have an appropriate internal control system in respect of conducting an external examination of allegations made on the Company, including on related party relationships, which could potentially result in possible adjustments/disclosures of related party relationships, balances and transactions in the standalone financial statements and compliance with applicable laws and regulations.

   A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to standalone financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis."

Qualified Opinion

1. *"In our opinion, to the best of our information and according to the explanations given to us, except for the possible effects of the material weakness described in Basis for Qualified Opinion section above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as of March 31, 2023, based on the internal control with reference to standalone financial statements 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."*

2. *"We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended March 31, 2023, and we have issued a qualified opinion on the said standalone financial statements of the Company."*

The audit reports on our audited consolidated financial statements for Financial Year ended March 31, 2024 and March 31, 2023 issued by our Statutory Auditors contains certain observations on the CARO reports. The details of these are as follows:

March 31, 2024

Following are the observations reported by the Statutory Auditors and the component auditors in the CARO Order reports of the companies included in the consolidated financial statements for the year ended March 31, 2024:

Sr. No.	Name	Holding Company / subsidiary	Clause number of the CARO report which has observations
1	Adani Energy Solutions Limited	Holding Company	(xi)(a)
2	Adani Electricity Mumbai Limited	Subsidiary	(vi), (xi)(a), (xiii)

March 31, 2023

Following are the observations reported by the Statutory Auditors and the component auditors in the CARO Order reports of the companies included in the consolidated financial statements for the year ended March 31, 2023:

Sr. No.	Name of the company	Nature of relationship	Clause Number of CARO report which has observations
1	Adani Transmission Limited	Parent	iii (b), iii (c), iii(d), iii (e), iv, ix (e), xi (a), xi (c), xiii
2	Adani Transmission Step-One Limited	Wholly Owned Subsidiary	iii (c), iii (e), xi (a), xi (c), xiii
3	Adani Electricity Mumbai Limit	Subsidiary	xi (a), xi (c), xiii
4	Sunrays Infra Space Limited (Formerly Known as Sunrays Infra Space Private Limited)	Wholly Owned Subsidiary	xiii

Also, see "*Financial Information*", "*Legal Proceedings*", and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 242, 232 and 98.

The opinion of the Statutory Auditors is not modified in respect of the above matters. There can be no assurance that the audit reports for any future fiscal periods will not contain such matters or that such matters will not otherwise affect our results of operations in such future periods, as well as our financial condition, and the trading price of the Equity Shares. Investors should consider these qualifications, remarks and observations of our Statutory Auditors in evaluating our financial condition, results of operations and cash flows.

21. We may not successfully identify and complete acquisitions or manage, integrate and realize the anticipated benefits of the businesses, technologies and products we acquire.

In addition to growth through our internal efforts, we intend to rely upon strategic acquisitions to provide us with access to new businesses and markets both in our existing business, as well as in new areas. For example, we acquired Ghatampur Transmission Limited from REC Transmission Projects Company Limited ("**RECTPCL**") on June 19, 2018, Reliance Electric Generation and Supply Limited (which we renamed as AEML) from R-Infra on August 29, 2018, Obra-C Badaun Transmission Co Ltd. ("**OBTL**") from PFC Consulting on December 21, 2018, ATBSPL (formerly known as KEC Bikaner Sikar Transmission Private Limited) from KEC International Limited on November 3, 2018, Bikaner-Khetri Transmission Limited ("**BKTL**") from PFC Consulting on September 19, 2019, Khadva II-A Transmission Limited ("**KTL**") from REC Power Development and Consultancy Limited on March 28, 2023 and Sangod Transmission Service Limited ("**STSL**") from Rajasthan Rajya Vidyut Prasaran Nigam Limited on October 6, 2023. We have entered into a share purchase agreement to acquired 673 ckt kms operational inter-state transmission project owned and operated by Essar Power Transmission Limited in June 2022 and entered into a share purchase agreement with PFC consulting Limited to acquire 100% equity stake of Halvad Transmission Limited ("**HTL**") on December 26, 2023.The risks associated with such acquisitions include obtaining regulatory approval for any acquisitions and the availability of financing (on appropriate terms).

We may not be able to recover amounts in respect of any representations, warranties and indemnities given by the sellers in connection with such acquisitions. We may pursue acquisitions in new markets in which we have limited or no experience that are subject to regulations and risks that we are unfamiliar with or are more onerous than those that we currently face. For example, we expanded our operations by entering into the electricity distribution business through our acquisition of Reliance Electric Generation and Supply Limited (which we renamed as AEML) from R-Infra on August 29, 2018. The distribution business of AEML could expose us to new or unanticipated risks and liabilities that we did not experience in operating our power transmission business. We are also subject to regulatory approval and review requirements that could preclude us from consummating or make it more difficult and costly for us to pursue acquisitions. For example, in connection with our acquisition of Reliance Electric Generation and Supply Limited, we were fined ₹1 million by the Competition Commission of India ("**CCI**") *vide* its order dated July 30, 2018 for entering into a share purchase agreement with R-Infra before we had obtained the approval of CCI, that contained certain provisions requiring us to advance a loan to R-Infra which could be adjusted against consideration payable by us for the proposed acquisition. The CCI held that the provisions in the share purchase agreement violated the standstill obligation in Section 6(2) of the Competition Act read with Section 2(A) of the Competition Act because we and R-Infra had consummated our acquisition of Reliance Electric Generation and Supply Limited before we had obtained approval from the CCI.

We may fail to successfully integrate acquired businesses, including AEML and MUL, with our existing business, and we may incur significant expenditures and resources to integrate and manage the business, products, technologies and personnel comprising the acquired businesses. The process of integrating an acquired company or business is risky and may create unforeseen operating difficulties and expenditures, including:

- substantial liabilities that exceed previous forecasts or unforeseen contingent risks and latent liabilities relating to acquired businesses that may only become apparent after a merger or acquisition is finalized;
- difficulties in integrating and managing the operations, technologies, services and personnel of acquired businesses;
- ineffectiveness or incompatibility of acquired technologies or services;
- the potential loss of key employees and cultural challenges associated with integrating employees;
- the failure to coordinate sales and marketing efforts of acquired businesses with our existing initiatives;
- the need to write-off underperforming investments; and
- the diversion of management's attention and our other operating and financial resources from other business concerns.

There is no assurance that our acquisitions will achieve the operating benefits, synergies, financial flexibility, cost savings and other objectives we had anticipated. These expected objectives may not develop or may be materially lower than anticipated and other assumptions (including the value of the recoverable assets) upon which we have determined the terms of such acquisitions may prove to be incorrect. As such, the financial flexibility, cost savings and other objectives anticipated by us to result from our acquisitions may not be achieved as expected, or at all, or may be delayed, which could have a material adverse effect on our business, financial condition and results of operations. Additionally, if we are unsuccessful in effectively integrating an acquired company, our business, prospects, financial condition and results of operations may be materially adversely affected.

22. Upgrading or renovation work or physical damage to our generation, transmission distribution or smart metering systems may disrupt our operations.

Our generation, transmission, distribution and smart metering systems may need to undergo upgrading or renovation work from time to time to retain their competitiveness and may 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. Our generation, transmission, distribution and smart metering systems may suffer some disruptions and it may not be possible to continue operations on areas affected by such upgrading or renovation work. In addition, physical damage to our generation, transmission, distribution systems, smart meters and major equipment such as switchgears, transformers, cables, pillars, panels, capacitors, transmission towers, reactors, turbine, generator exciter, generator transformant, boiler and cooling water pumps that result from fire, severe weather or other causes may lead to a significant disruption to business and operations and, together with the foregoing, may result in unforeseen costs which may have a material adverse effect on our business, prospects, financial condition and results of operations. Any service disruption in our generation, transmission, distribution or smart metering systems may cause loss or damage to our consumers, who may seek to recover damages from us, which may harm our business and reputation.

23. We may have limited access to funding for the development and execution of our capital expenditure, which may limit the expansion of our business, and financing at non-competitive rates, higher costs of borrowing and the use of certain financing structures could adversely affect our financial performance, condition, results of operations and prospects.

We intend to continue to rapidly increase our businesses by adding to our existing network of transmission and distribution assets (by bidding for assets by way of government tenders or inorganic acquisitions), and by venturing into new businesses such as smart metering and parallel licensing. The acquisition, construction and expansion of new facilities, in addition to the ongoing improvements required to maintain or upgrade existing assets, are capital intensive. Such costs are usually funded from a mixture of operating cash flow and third-party financing. Given our growth plans, we have incurred and may continue to incur substantial borrowings in the future. There can be no assurance that future financings in the form of debt or equity will be available, whether on acceptable terms, in sufficient amounts or at all.

Further, the lack of adequate funding at competitive terms or at all could delay the development and execution of our projects which in turn may adversely affect our business, financial condition and results of its operations. Our ability to raise funds at competitive rates depends on our credit rating, the regulatory environment in India, global and economic conditions in India, general liquidity conditions and the financing terms offered. Changes in economic and financial conditions could make it difficult for us to access funds at competitive rates. Any continued experience of net negative cash flows could further impact our creditworthiness and raise concerns among potential financiers regarding our ability to service new debt, which may lead to more restrictive borrowing terms. We may also face certain restrictions when raising money from international markets, which may further constrain our ability to raise funds at competitive rates.

24. ***We have experienced negative cash flows in prior years.***

We have experienced negative cash flows in Fiscal 2022. Our consolidated cash flow for Fiscal 2024, 2023 and 2022 are set forth in the table below.

	Fiscal		
	2024	**2023**	**2022**
			(in ₹ crore)
Net cash generated from operating activities (A)...................	6,037.62	3,776.99	4,096.61
Net cash flow used in investing activities (B)........................	(4,943.03)	(4,698.71)	(3,948.03)
Net cash flow generated from/(used in) financing activities (C)...	(543.24)	923.22	(234.86)
Net increase/(decrease) in cash and cash equivalent (A+B+C)	551.35	1.50	(86.28)

For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 98.

While we reported net cash generated from operating activities in Fiscal 2024, 2023 and 2022, we had a net decrease in cash and cash equivalents in Fiscal 2022 of ₹86.28 crore. This was primarily due to significant cash outflows from investing and financing activities, which included substantial investments in property, plant, and equipment, and repayment of long-term borrowings.

If we are unable to generate sufficient revenue and manage our expenses and cash flows, we may experience losses or negative cash flows in the future, which could adversely affect our ability to, among others, fund our operations, pay debts in a timely manner or finance proposed business expansions or investments. Any of the foregoing could adversely affect our business, cash flows, financial condition and results of operations.

25. ***Opposition from local communities and other parties may adversely affect our results of operations and financial condition.***

The construction and operation of our transmission and distribution systems, smart metering projects and power plants may have significant consequences on grazing, logging, agricultural activities, mining and land development as well as on the ecosystem of the affected areas. The environmental impact of a particular transmission project typically depends on the location of the project and the surrounding ecosystem. Further, the construction and operation of our transmission and distribution systems, smart metering projects and power plants may require the displacement or relocation of local communities or may otherwise disrupt their activities and livelihoods, especially during the project construction period. Additionally, we have in the past, and may in the future, receive complaints from customers of our distribution business regarding our billing practices.

We could be subject to opposition, such as through litigation or by other means, from public interest groups, local communities or non-governmental organizations, in relation to the environmental impact of our transmission projects or in relation to land acquisition, acquisition and use of rights of way and construction activities for our projects and the consequent displacement and rehabilitation of affected communities.

Several of the parcels of land on which our existing substations are situated were acquired by the GoI or the relevant state governments and were thereafter awarded to us. Land so acquired may remain subject to disputes after it is transferred to us. Moreover, we may not be able to obtain clear title to the land on which our projects are located and we do not have title insurance for any of our land.

26. ***Our operations are subject to environmental, health and safety laws and regulations.***

Our operations are subject to various environmental laws and regulations in the various locations in India where we operate. For example, we are required to obtain approval from the Ministry of Environment, Forest and Climate Change ("**MoEF&CC**") of the GoI under the Forest (Conservation) Act, 1980 if a transmission project involves the clearance of forestland, and the specific clearance from the Supreme Court of India if our projects involve the construction of transmission lines in areas designated as reserved forests, wildlife sanctuaries, national parks or biosphere reserves. In addition, compliance with such environmental laws and regulations may result in a curtailment of our activities or a material increase in transmission costs or otherwise have a material adverse effect on our business, prospects, financial condition and results of operations. Environmental laws and regulations in India have been, and may continue to become, increasingly more stringent.

The personnel working on our power transmission projects are exposed to risks. If safety procedures are not followed or certain materials used in power substations and transmission equipment are improperly handled, it could lead to injuries or fatalities, property damage or environmental harm. Such incidents could result in significant business disruptions and legal and regulatory actions, which could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

As central and local governments may implement more stringent environmental, health and safety regulations, there can be no assurance that we will at all times be in compliance with these regulatory requirements. Any change in the environmental, health and safety regulations to which we are subject may cause us to incur substantial capital expenditures to comply with such new regulations. The costs of complying with current and future environmental, health and safety laws and the liabilities arising from failure to comply with applicable regulatory requirements may adversely affect our business, financial condition, cash flows and results of operations.

27. ***Our success depends in large part upon our management team and skilled personnel and our ability to attract and retain such persons. The loss of key personnel may have an adverse effect on our business, results of operations, financial condition and growth prospects.***

Our performance depends on the continued service of our management team and skilled personnel. We also face a continuous challenge to recruit and retain a sufficient number of suitably skilled personnel, particularly as we implement our growth and expansion strategy. Generally, there is significant competition for management and other skilled personnel in India and in the businesses in which we operate, and it may be difficult to attract and retain the skilled personnel we need. In particular, even if we were to increase our pay structures to attract and retain such personnel, we may be unable to compete with other companies for suitably skilled personnel to the extent they are able to provide more competitive compensation and benefits. Furthermore, we may not be able to redeploy and retrain our employees to keep pace with continuing changes, evolving standards and changing customer preferences. The loss of key personnel may have a material adverse effect on our business, prospects, financial condition and results of operations. For further details, see "*Board of Directors and Senior Management*" on page 176.

28. ***We have certain contingent liabilities and sub-ordinate debt and our financial condition may be adversely affected if these contingent liabilities materialize.***

We have contingent liabilities, which could adversely affect our business and results of operations. The following table sets forth the principal components of our contingent liabilities as of March 2024, 2023 and 2022:

	As of March 31,		
	2024	**2023**	**2022**
Contingent Liabilities	*(₹ in crore)*		
Direct tax & indirect tax	41.95	44.18	12.85
Demand disputed by the group relating to service tax on street light maintenance, wheeling charges and cross subsidy surcharge(1)	353.55	353.55	353.55
Claims raised by the Government authorities towards unearned income arising on alleged transfer of certain land parcels(1)	127.65	127.65	127.65
Claims raised by Vidarbha Industries Power Limited ("**VIPL**") in respect of increase in fuel cost for the financial year ended March 31, 2019 (1)	1,381.28	1,381.28	1,381.28
Way leave fees claims disputed by the group related to rates charged(1)	28.43	28.43	28.43
Other claims not acknowledged by the group as debts	33.43	33.43	33.43
Property related disputes(1)	2.59	2.59	2.59
Demand disputed by the Company relating to standby charges including interest payable(2)	398.68	213.79	—
Liability in respect of termination of power purchase lease agreement(6)	@@	@@	@@
Total	**2,367.56**	**2,184.90**	**1,939.78**
Commitments:			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advance)	6,854.26	5,705.37	1777.55

Notes:

1. Under the terms of the Share Purchase Agreement entered into by AEML and R-Infra, in the event the matters set forth above are decided against AEML and are not recoverable from consumers, AEML will be entitled to recover from R-Infra.

2. On May 5, 2024, AEML filed an appeal under Section 111 of the Electricity Act, 2003, challenging the Order dated March 31, 2023 passed by the MERC directing levy of standby charges by Maharashtra State Electricity Distribution Company Limited. The hearing took place on January 1, 2024, and pleadings have been completed. The Registry of APTEL is set to include the appeal in the List of Finals, where it will be addressed in

due course. In this appeal, AEML also submitted IA 844 of 2023, seeking a stay on the payment of standby charges to MSEDCL. APTEL vide Order dated September 26, 2023 set aside the MERC direction to pay standby charges to MSEDCL. Subsequent to the above, AEML has filed Case 1 of 2024 before MERC seeking for discontinuation of the standby arrangement and consequential relief. This matter is scheduled for a hearing on June 28, 2024.

3. The above contingent liabilities (except interest payable of ₹28.67 crore included above in demand disputed by our Company relating to standby charges including interest repayable) to the extent pertaining to our businesses that are regulated that earns revenue under the "cost-plus" basis, we will be able to recover unfavorable outcomes from consumers, subject to the MERC's or CERC's approval.

4. Amounts in respect of employee related claims/disputes, consumer related litigation, regulatory matters are not ascertainable.

5. Future cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.

6. @@: Amount not determinable. AEML had terminated long term power purchase agreement ("**PPA**") due to non-performance of obligations under the PPA by VIPL, such termination has been upheld by MERC/Appellate Tribunal of Electricity ("**ATE**"). VIPL has filed an appeal before the Hon'ble Supreme Court against the said order issued by the ATE. The proceedings are ongoing with the Hon'ble Supreme Court of India.

In the event that any of these contingent liabilities materialize, our results of operations, cash flows and financial condition may be adversely affected. The contingent liability amounts disclosed in our audited financial statements represent estimates and assumptions of our management based on advice received. The contingent liabilities have arisen in the normal course of our business. For further details see "*Financial Information*" on page 242.

29. If we are unsuccessful in implementing our strategies, particularly our growth strategy, our business, financial condition, results of operations and cash flows may be adversely affected.

The success of our business depends greatly on our ability to effectively implement our strategies, particularly our growth strategy; please refer to *"Our Business – Our Strategies"* on page 148. Even if we have successfully executed our business strategies in the past, we cannot assure you that we will be able to execute our strategies on time and within the estimated budget, or that we will achieve expected results. We expect our strategies to place significant demands on our management and other resources and require us to continue developing and improving our operational, financial and other internal controls as well as technology systems. We may be unable to sustain such growth in revenues and profits or maintain a similar rate of growth in the future. Further, as we grow and diversify, we may be unable to execute our projects efficiently, which could result in delays, increased costs and diminished quality and may adversely affect our reputation. If we are unable to implement our growth strategy effectively, our business, financial condition, results of operations and cash flows may be adversely affected.

30. We do not own the "Adani" trademark, name or logo and our ability to use the trademark, name or logo may be impaired. Further, our inability to protect our intellectual property or any claims that we infringe on the intellectual property rights of others could have a material adverse effect on us.

We do not own the intellectual property in the name "Adani", the logo adani and the associated trademarks and trade names used by us. The intellectual property in "Adani" and associated trademarks and trade names is owned by and registered in the favor of S.B. Adani Family Trust ("**SBAFT**"). SBAFT, pursuant to their letter dated May 27, 2024, has granted our Company non-exclusive rights to use the adani trademark and trade name "Adani". Accordingly, we have limited ability to prevent any infringement of such intellectual property and a passing-off action may not provide sufficient protection or may not provide us with a cause of action to file a suit before the relevant authorities. We may not be able to maintain our arrangements with SBAFT to use the trade name and logo on commercially viable terms or at all. We would not be able to use the trade name and logo if we fail to enter renew our agreement with SBAFT for the use of the name "Adani" and the Adani logo adani. Further, as the "Adani" trademark, name or logo is not registered in our Company's name, we cannot assure you that we will continue to have the rights to use the same in the future. If we are no longer able to use these trademarks or names or the Adani logo in connection with our business, we may not be able to capitalize on our brand recognition, which may have an adverse effect on our business and operations. Moreover, the use of our brand name or logo by third parties could adversely affect our reputation, which could in turn adversely affect our financial performance. Notwithstanding the precautions we take to protect our intellectual property rights, third parties may copy or otherwise infringe on our rights, which may have a material adverse effect on our business, prospects, financial condition and results of operations. That could result in costly litigation, divert management's attention and resources, impair our ability to use the name "Adani" and the Adani logo adani, and potentially subject us to significant liabilities or require us to enter into expensive royalty or licensing agreements. Furthermore, necessary licenses may not be available to us on satisfactory terms or at all.

We were assigned the patents that have been awarded in the name of R-Infra, for patents such as theft proof feeder pillar, power distribution unit with theft detecting mechanism, and testing kit for digital control system cards. Our inability to use such intellectual property will adversely affect our business, prospects, financial condition and results of operations.

Our success depends, at least in part, on our ability to protect our technology and technical know-how. We own various information that includes, without limitation, financial, business, scientific, technical, economic and engineering information, formulas, designs, methods, techniques, processes and procedures, which we consider confidential and proprietary information. We therefore rely on a combination of trade secret and other intellectual property laws, confidentiality agreements and license agreements to establish and protect our intellectual property rights. Nonetheless, the steps we take to obtain, maintain, protect, and enforce our intellectual property and other proprietary rights may be inadequate. Despite our efforts to protect these rights, unauthorized third parties, including our competitors, may duplicate, mimic, reverse engineer, access, obtain, or use the proprietary aspects of our technology or processes without our permission. We cannot assure that any future patent, trademark, or service mark registrations will be issued for our future applications or that any of our future patents, copyrights, trademarks, or service marks (whether registered or unregistered) will be valid, enforceable, sufficiently broad in scope, provide adequate protection of our intellectual property or other proprietary rights, or provide us with any competitive advantage. We may be unable to prevent competitors or other third parties from acquiring or using trademarks, service marks, or other intellectual property or other proprietary rights that are similar to, infringe upon, misappropriate, dilute, or otherwise violate or diminish the value of our trademarks and service marks and our other intellectual property and proprietary rights.

Any of the foregoing could materially adversely affect our business, prospects, financial condition and results of operations. While we take care to ensure that we do not infringe the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights.

31. Certain companies within the Adani portfolio are involved in various legal, regulatory and other proceedings which could have an adverse impact on our business and reputation.

Certain companies within the Adani portfolio ("**Relevant Entities**") are, from time to time, involved in litigation, claims, enquiries, investigations and other proceedings, including tax disputes, criminal and civil matters, and regulatory and adjudication proceedings by the Government of India, including regulatory, statutory and other agencies, against the Relevant Entities. If any of these litigation, claims, enquiries, investigations and other proceedings are adversely determined, it could have an adverse impact on the Relevant Entities, including our Company.

In November 2020, Investigations Department of SEBI had approached AEL, Adani Ports And Special Economic Zone Limited and Adani Total Gas Limited (being our Group Companies) and our Company and directed them to provide certain specific information and documents with respect to themselves, including (amongst others) copies of constitutional documents, disclosure made under specific regulations and shareholders agreements, if any, details of directors and certain others, shareholders holding more than 1% stake, chronology of compliance with minimum public shareholding and association with certain identified persons/entities, etc. These requests were responded by each of these entities to SEBI in November 2020. Separately, Investigations Department of SEBI has approached Adani Global Limited, with a direction to provide certain specific information and documents with respect to itself including (amongst others) KYC details, details of directors and certain others, shareholders holding more than 1% stake and association with certain identified persons/entities, etc. Specific information with respect to Adani Global Limited was also sought from AEL under Section 11C(3) of the Securities and Exchange Board of India Act, 1992, as amended. These requests have been responded by them to SEBI. As on the date of this Preliminary Placement Document, the abovementioned Adani portfolio entities have not received any further communication (including show cause notices) from SEBI and no proceedings have been initiated against them by SEBI, pursuant to such engagement with SEBI. However, in the event SEBI is not satisfied with the responses provided or has made a *prima facie* determination that relevant Adani portfolio entity is in breach of law, SEBI may initiate regulatory and adjudication proceedings against such entities, its promoters or directors and may impose fines or penalties on such entities. SEBI has broad powers to take action or issue directions in the interests of investors and the securities market, including through imposition of monetary penalty, debarment from accessing capital markets, restrictions on undertaking certain activities, etc. The nature of action that may be taken by SEBI pursuant to an adverse determination in a regulatory and adjudication proceeding would depend on the nature of proceedings initiated by SEBI.

If Relevant Entities receive similar directions / request in the future or in case any proceedings are initiated or adversely determined against them, it could have an adverse impact on such Relevant Entities including cost implications, loss of reputation and diversion of management's attention or other recourses.

32. We have in the past entered into certain related-party transactions, and we may continue to do so in the future, which may potentially involve conflicts of interest.

We have entered into transactions with other Adani portfolio entities in the ordinary course of our business. While we believe that all such transactions (which have included (unsecured) inter-corporate deposits and guarantees given on behalf of our Subsidiaries and Joint Venture) have been conducted on an arm's length basis, we might have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, we may enter into additional related party transactions in the ordinary course of our business in accordance with the provisions of the Common Terms Deed. Such transactions, individually or in the aggregate, could have a material adverse effect on our business, prospects, financial condition and results of operations. See "*Related Party Transactions*" on page 39.

While we believe that all of our related-party transactions have been conducted on an arms' length basis and all such transactions are adequately disclosed in "*Related Party Transactions*" on page 39 and are also approved by the Audit Committee of our Board (including whether such transactions are on an arms' length basis), we cannot assure you that in all such transactions, we could not have achieved more favorable terms than the existing ones.

While we shall endeavour to conduct all our related party transactions subject to the Board's or Shareholders' approval, as applicable, and in compliance with the applicable accounting standards, provisions of Companies Act, 2013, as amended, provisions of the SEBI Listing Regulations and other applicable laws, such related party transactions may potentially involve conflicts of interest. While the Company will endeavour to duly address such conflicts of interest as and when they may arise, we cannot assure that these arrangements in the future, or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects or may potentially involve any conflict of interest.

33. Our Promoter Group does not include certain immediate relatives of the spouses of our Promoters.

We have identified our promoter group in accordance with the SEBI ICDR Regulations, except certain immediate relatives of spouses of our Promoters (i.e., certain immediate relatives of Priti G. Adani and Shilin R. Adani) as Promoter Group and body corporate / firms / HUFs connected thereto (which is in line with our historical practice). The relevant information pertaining to such persons is not available with us in our records, as such persons have not been considered as members of the Promoter Group by us and they do not exercise any control over us. Accordingly, based on and limited only to the extent of information publicly available from the websites such as "Watchout Investors" website (accessible at https://www.watchoutinvestors.com/), the website of TransUnion CIBIL Limited (accessible at https://www.cibil.com/), website of SEBI (accessible at https://www.sebi.gov.in/index.html), website of BSE (accessible at https://www.bseindia.com/) and website of NSE (accessible at https://www.nseindia.com/), we believe that these individuals are not debarred from accessing capital markets by SEBI and have not settled any alleged violations of securities laws through the settlement mechanism of SEBI in the immediately preceding three years. Given that the above statement is based only on information publicly available from the websites mentioned above, there can be no assurance that such statement is true and complete in all respects or at all.

34. Certain of our Directors and Senior Management may have interests in us other than reimbursement of expenses incurred and normal remuneration or benefits. We cannot assure you that our Directors and Senior Management will exercise their rights as shareholders to the benefit and best interest of our Company.

Certain of our Directors and Senior Management may be regarded as having an interest in our Company other than reimbursement of expenses incurred and normal remuneration or benefits. Certain Directors and Senior Management, as applicable, may be deemed to be interested to the extent of Equity Shares held by them, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares and employee stock options held by them. We cannot assure you that our Directors and Senior Management will exercise their rights as shareholders to the benefit and best interest of our Company. For further details, see "*Capital Structure*" and "*Board of Directors and Senior Management*" on pages 95 and 176, respectively.

35. Our ability to ensure that our power transmission and smart metering projects and distribution networks are fully operational at all times may be subject to the limitations of existing equipment, civil structure or any industrial accident.

The operation of power transmission projects and distribution networks involves many operational risks, some of which are outside our control, including explosions, fires, earthquakes and other natural disasters, the breakdown or failure of transmission, distribution or smart metering networks or equipment or other equipment or processes, labor disputes, and operating below expected levels.

Power transmission projects and distribution networks are complex and are susceptible to industrial accidents. Accidents or malfunctions involving our substations can disrupt the transmission and distribution of electricity and result in performance being below expected levels. For example, there could be failure in the transmission towers, distribution lines, power conductors or insulators. In addition, power transmission projects rely on sophisticated and complex machinery that is built by third parties, and is susceptible to malfunction. Similarly, smart meters also depend on the reliability and performance of software and hardware provided by third parties, which could be subject to defects, disruptions and failures. The occurrence of any of the above events could have a material adverse effect on our business, prospects, financial condition and results of operations.

36. ***Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.***

We strive to keep our technology up to date with the latest international technological standards. Our success will depend in part on our ability to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis.

We need to continue to invest in new and more advanced technologies and equipment to enable us to respond to emerging power transmission, distribution and smart metering industry standards and practices in a cost-effective and timely manner that is competitive with other transmission, distribution, substation and smart metering projects. The development and implementation of such technology entails significant technical and business risks. Additionally, maintaining the confidentiality of our technical knowledge is crucial to retaining our competitive edge. Unauthorized disclosure or theft of our proprietary information could undermine our competitive position and may cause us to incur substantial costs. We may not be able to successfully implement new technologies effectively or adapt our processing systems to customer requirements or emerging industry standards. If we are unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our business, prospects, financial condition and results of operations could be materially adversely affected.

The power transmission distribution equipment and smart meters, design and other technologies that we use may become obsolete and the technology in which we invest may not perform as expected or may be superseded by competing technologies before our investment costs have been recouped. Our ability to adopt and/or implement new technology in a timely manner may also be adversely impacted by government policy and bureaucracy. In addition, the cost of implementing new technologies, upgrading networks or expanding network capacity to effectively respond to technological changes may be substantial. Our ability to meet such costs will, in turn, depend upon our ability to obtain additional financing on commercially acceptable terms. Moreover, new technologies may not develop according to anticipated schedules, or perform according to expectations or be commercially accepted. Failure to keep pace with technological advancements in smart metering could result in an inability to provide the level of service expected by customers or required by regulators. If we fail to adopt and successfully implement new technologies in a cost-effective manner, our results of operations and financial condition could be negatively affected.

37. ***We expend extensive resources to improve and maintain our information systems. Failure to successfully do so may result in a negative impact on our results of operations, financial condition, cash flow and reputation with our customers and/or regulators.***

Our operations rely heavily on the quality of our information systems and the employees that are responsible to manage them. If any of our system improvement projects are unsuccessful, or if our processes for managing and maintaining our information systems are inadequate, we could be subjected to:

- inaccurate forecasts of expected costs for developing our transmission or distribution systems;
- inaccurate or untimely financial accounting and reporting information;
- inaccurate or untimely customer billing information;
- customer complaints;
- increased regulatory scrutiny; or
- inaccurate forecasts of expected customer consumption requirements, potentially resulting in the need to purchase power from the open market to meet increased demand, which may impact our gross profits.

We cannot guarantee that we will be able to maintain or successfully develop our information systems. Interruptions and/or failures of our information systems could disrupt our operations and our ability to provide or bill for our services, retain or attract customers and negatively impact overall customer experience.

38. ***Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or other disputes with our employees.***

As of March 31, 2024, we had 11,151 employees. We have had no instances of strikes or labor unrest since we commenced operations. Our workers in our distribution business were on strike during the period from August 28, 2018 to September 1, 2018. Furthermore, a large number of our employees are members of labor unions. Although these unions are not affiliated to national labor organizations, any actions by these labor unions may divert management's attention and result in an adverse impact on consumer service thereby creating a brand risk as well as increased costs. We may be unable to negotiate acceptable collective bargaining agreements with those who have chosen to be represented by unions, which could lead to union-initiated work stoppages, including strikes. The occurrence of such events could materially adversely affect our business, prospects, financial condition and results of operations.

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. Although we do not engage these laborers directly, under Indian law (including the provisions of the Contract Labor (Regulation and Abolition) Act, 1970, as amended), we may be held responsible for wage payments to laborers engaged by contractors, should the contractors default on wage payments or provide certain amenities, such as rest rooms and first aid facilities, should the contractors fail to provide such amenities. Any requirement to fund such payments or provide amenities may materially adversely affect our business, prospects, financial condition and results of operations.

India has a stringent labor legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal, imposes financial obligations on employers upon employee layoffs and regulates contract labor. These laws may restrict our or our affiliates' ability to have human resource policies that would allow us to react swiftly to the needs of our business, discharge employees or downsize. We may also experience labor unrest in the future, which may disrupt our operations. If such delays or disruptions occur or continue for a prolonged period of time, our overall profitability could be negatively affected. We also depend on third party contract labor. It is possible under Indian law that we may be held responsible for wage payments to these laborers if their contractors default on payment. We may be held liable for any non-payment by contractors and any such order or direction from a court or any other regulatory authority may harm our business, prospects, financial condition, results of our operations and cash flows.

39. Potential cyber security breaches could adversely affect our businesses and financial results.

We operate in a highly regulated industry that requires the continued operation of sophisticated systems and network infrastructure at our transmission, distribution and other facilities. These systems and facilities are vulnerable to unauthorized access due to hacking, viruses, other cybersecurity attacks and other causes. Further, all our stations are unmanned and controlled centrally and electronically. In particular, given the importance of energy and the electric grid, there is the possibility that our systems and facilities could be targets of terrorism or acts of war. We have implemented measures to help prevent unauthorized access to our systems and facilities, including network and system monitoring, identification and deployment of secure technologies and certain other measures to comply with mandatory regulatory reliability standards. We routinely test our systems and facilities against these regulatory requirements in order to measure compliance, assess potential security risks and identify areas for improvement. In addition, we provide cybersecurity training for our employees and perform exercises designed to raise employee awareness of cyber risks on a regular basis. To date, cyber-attacks on our business and operations have not had a material impact on our operations or financial results. Despite these efforts, if our systems or facilities were to be breached or disabled, we may be unable to recover them in a timely manner to fulfill critical business functions, including the supply of electric services to our customers, and we could experience decreases in revenues and increases in costs that could have a material adverse effect on our results of operations, financial condition and cash flows.

40. Utilization of monies in charged accounts upon enforcement can be appropriated for secured creditors only after payment of statutory dues and operating expenses that are then due and payable.

Certain of our Subsidiaries, including ATIL and MEGPTCL own certain transmission systems which are subject to MERC regulations which restrict the creation of any encumbrance on the assets of the Licensed Business, except where such encumbrance is created for the purpose of the Licensed Business. "Licensed Business" is defined in the MERC (Transmission License Conditions) Regulations, 2004 to mean the "business of establishing or operating transmission lines". The term "assets of the Licensed Business" appears to be wide enough to include all assets of the transmission utility, including bank accounts, escrow accounts and monies in the accounts, etc., which are utilized for establishing and operating transmission lines.

However, it can be reasonably argued that the receivables, bank accounts, escrow accounts and monies in the accounts which are not required for establishing and operating transmission lines do not fall within the definition of "assets of Licensed Business". Therefore, upon enforcement of security over such secured bank accounts, and monies in the accounts, to the extent that the monies in such accounts over which security has been created are to be utilized for meeting the statutory dues and operating and maintenance expenses (including operating expenses payable to our Company, if any), that are then due and payable, such security interest would be effective against the monies standing to the credit of such accounts after payment of such statutory dues and operating expenses.

41. Past results will not necessarily be indicative of future results due to the changing regulatory environment in the Indian electricity industry.

Our current profitability depends on any impact the standards set by electricity regulators have on our operational efficiency. There is no assurance that more stringent standards will not be set by regulators in the future or that the current efficiency will be maintained in our future operations. Additionally, trued up orders from regulators may lead to revenue reversals or adjustments that could render past financial results not indicative of future performance. Therefore, our future results will be more significantly influenced by our operating performance than our past results. In addition, to the extent that we enter into non-tariff regulated businesses, the revenues and profits from these businesses may not be predictable in the same way as the revenues and profits generated from our tariff-regulated business. Moreover, we are subject to the general risk of the regulatory framework being changed from time to time, and in a manner that has an adverse impact on our business and financial condition.

42. We may not have adequate insurance to cover all losses we may incur in our business operations or otherwise.

Our operations are subject to a number of risks generally associated with the transmission and distribution of electricity. These risks include explosions, fires, earthquakes and other natural disasters and calamities, breakdowns, failures or substandard performance of equipment, improper installation or operation of equipment, accidents, acts of terrorism, operational problems, human error, transportation interruptions and labor disturbances. These risks can cause personal injury and loss of life and damage to, or the destruction of, property and equipment (including infrastructure developed by us) and may result in the limitation or interruption of our business operations and the imposition of civil or criminal liabilities. While we have insurance coverage for contingencies and amounts which we believe is in accordance with industry practices, our insurance arrangements may not be sufficient to cover any material losses that we may incur in the future. If our losses significantly exceed our insurance coverage or cannot be recovered through insurance, our business, prospects, financial condition and results of operations could be materially adversely affected.

In addition, we may not be able to maintain insurance of the types or at levels which we deem necessary or adequate or at rates which we consider reasonable, in particular, in case of significant increases in premium levels at the time of renewing our insurance policies. If we are unable to pass increased insurance costs onto our customers, the costs of higher insurance premiums could have a material adverse effect on our business, prospects, financial condition and results of operations. Furthermore, the occurrence of an event for which we are not adequately or sufficiently insured or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have a material adverse effect on our business, prospects, financial condition and results of operations.

The following table details the amount and percentage of coverage of insurance vis-à-vis the total assets of our Company as on the end of the below mentioned financial years:

Period	Book value of assets (in ₹ crore)	Insurance Coverage (in ₹ crore)	Percentage of insurance coverage to net value of assets (in %)
Fiscal 2024	50,077.4	50,077.4	100%
Fiscal 2023	45,489.4	45,489.4	100%
Fiscal 2022	40,486.9	40,486.9	100%

43. The non-payment of inter-corporate deposits could adversely affect our results of operations. If borrowers under these inter corporate deposits do not fulfil their obligations to us as expected, or at all, we will have no access to any security.

Inter-corporate deposits, on which interest is received, are a means of investing unused cash. While as of March 31, 2024, we do not have inter-corporate deposits, we had utilized inter-corporate deposits in the past and may do so in the future. Inter-corporate deposits are generally unsecured and if borrowers under these inter-corporate deposits do not fulfil their obligations to us as expected, or at all, we will have no access to any security. The non-payment of these inter-corporate deposits could materially adversely affect our results of business, prospects, financial condition and results of operations.

44. We have received unsecured loans from the Adani portfolio entities, which may become payable following the expiration of the term of such loans.

We have received certain unsecured loans from the Adani portfolio entities, of which ₹1,307.32 crore remained outstanding as of March 31, 2024. See "*Related Party Transactions*" on page 39 and "*Management's Discussion and Analysis of Financial Condition and Results of Operations —Indebtedness*" on page 112. We have entered into loan agreements in relation to such loans, specifying the rate of interest, tenor of the loan, terms of payment of interest, repayment, and other terms. We have an obligation to repay these loans within the tenor specified in such agreements, subject to (a) compliance by our Company with relevant restricted payment conditions pertaining to repayment of sponsor loans, as stipulated under financing documents executed by our Company with the banks and financial institutions from whom our Company has received loans from time to time, and (b) the Adani portfolio entity in question becoming a signatory to the Intercreditor Deed and Subordination Deed, thereby enabling them to be repaid in accordance with the Intercreditor Deed and Subordination Deed, or our Company raising additional permitted indebtedness for the purpose of retiring such loans from the Adani portfolio entities. Further, unless such loans are refinanced by the Adani portfolio entities, as applicable, (including by Senior Secured Debt) in the event we are unable to repay such loans in the manner aforesaid, we may be in default of such arrangements and, these loans may become due and payable to such Adani portfolio entities. Subject to the aforesaid, if the Adani portfolio entities, as the case may be, demand payment from us on such loans, depending on availability of funds (a) in our distribution account, or (b) pursuant to our raising of additional permitted debt as aforesaid, our business, prospects, financial condition and results of operations may be materially adversely affected. However, the rights of the Adani portfolio entities to demand repayment of such loans will in such circumstances be subject to the subordination provision set out in the Subordination Deed, the terms of the Intercreditor Deed and the terms of the Common Terms Deed. If we continue borrowing under such arrangements or, subject to applicable laws, enter into similar borrowing arrangements, such borrowing arrangements may materially adversely affect our results of business, prospects, financial condition and results of operations.

45. We may be required to record significant charges to earnings in the future when we review our power transmission and distribution assets for potential impairment.

Under Ind-AS, we are required to review our power transmission and distribution infrastructure assets for impairment whenever circumstances indicate the carrying value may not be recoverable. In addition, this review of impairment must be performed at least annually. Various uncertainties, including deterioration in the global economic condition that result in upward changes in cost of capital, increases in cost of completion of such power transmission and distribution infrastructure assets and the occurrence of natural disasters that impact our power transmission and distribution infrastructure assets, could impact expected cash flows to be generated by such assets, and may result in impairment of these power transmission and distribution infrastructure assets in the future.

We may be required in the future to record additional significant charge to earnings in our financial statements during the period in which any impairment of our power transmission and distribution infrastructure assets is determined. Notwithstanding that any such impairment would be a non-cash expense, any such charges will likely have a material adverse effect on our results of operations.

46. Our continuing success depends on the reputation of the Adani portfolio entities, and any damage to their reputations could adversely affect our business, results of operations and future prospects.

We believe our success largely depends on the reputation of the Adani portfolio entities. However, the Adani portfolio's reputation may be damaged by adverse publicity, negative campaigns or movements targeting their brands, customers' dissatisfaction over their services, allegations of misconduct or negligence, accidents at their facilities, or other events. For example, there have been several protests and negative media campaigns in the past against the Adani portfolio entities, including in relation to a coal mine, Carmichael, Australia, owned by AEL, and in relation to the Short Seller's Report. Any adverse publicity, even if unfounded has and could in the future have an adverse effect on our financial position and reputation. Damage to our or the Adani portfolio's reputation may reduce our customers' confidence in our services and could result in adverse impact to our business, results of operations and future prospects.

47. Industry data in this document is derived from the CRISIL Report commissioned by and paid for us for such purpose. The CRISIL Report is not exhaustive and is based on certain assumptions, parameters and conditions. The data and statistics in the CRISIL Report may be inaccurate, incomplete or unreliable.

This Preliminary Placement Document includes information that is derived from the report titled "Industry report on power transmission and distribution, and smart metering" dated May 2024 prepared by CRISIL ("**CRISIL Report**"). The CRISIL Report is not in any manner related to us, our Directors or our Promoters or our Book Running Lead Managers. The CRISIL Report is subject to various limitations and based upon certain assumptions that are subjective in nature. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amount may differ materially from those included in this Preliminary Placement Document.

48. Some of our offices are held by us on lease or leave and license or tenancy agreements which subject us to certain risks.

Some of our offices, including our Registered and Corporate Office, are on premises that have been leased by us from third parties, for fixed terms. Periodic renewals of short-term leases may increase our costs as they are subject to rent renegotiations. Further, if we are required to relocate any of our premises as a result of any termination or non-renewal of our leases, we may incur additional cost as a result of such relocation, and our ability to operate at such new locations may also be adversely impacted. Furthermore, some of our lease agreements require us to obtain consent from the lessors before undertaking certain actions, such as altering the leased facilities or changing our use of the leased premises. Failure to obtain consent from the lessors could result in the termination of the lease agreements. We cannot assure that we will be able to renew these agreements on commercially reasonable terms in a timely manner, or at all. In the event that these existing leases are terminated, or they are not renewed on commercially acceptable terms or at all, it may have a limited impact on our operational activities for the time being.

49. We have in this document included certain non-GAAP financial measures and certain other selected statistical information related to our operations, cash flows and financial condition. These operational metrics, non-GAAP measures and industry measures may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.

We track certain operational metrics, including our client counts and key business and non- GAAP / operational metrics such as EBITDA and EBITDA margin (the "**Operational and Non- GAAP Metrics**"). The Operational and Non- GAAP Metrics are supplemental measures of our operations and financial performance and are not required by, or presented in accordance with, Ind AS, IFRS or U.S. GAAP, and are prepared with internal systems and tools that are not independently verified by any third party and which may differ from estimates or similar metrics published by third parties due to differences in sources, methodologies, or the assumptions on which we rely. These Operational and non- GAAP Metrics should not be considered in isolation or construed as an alternative to cash flows, profit / (loss) for the years / period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, IFRS or U.S. GAAP.

Our internal systems and tools have a number of limitations and our methodologies for tracking these metrics may change over time, which could result in unexpected changes to our metrics, including the metrics we publicly disclose. If the internal systems and tools we use to track these metrics undercount or overcount performance or contain algorithmic or other technical errors, the data we report may not be accurate. Limitations or errors with respect to how we measure data or with respect to the data that we measure may affect our understanding of certain details of our business, which could affect our long-term strategies. If our operating metrics are not accurate representations of our business, if investors do not perceive our operating metrics to be accurate, or if we discover material inaccuracies with respect to these figures, we expect that our business, reputation, financial condition and results of operations would be adversely affected.

50. Differences exist between Ind AS and other accounting principles, such as IFRS and U.S. GAAP, which may be material to investors' assessments of our financial condition, result of operations and cash flows.

Our financial statements for Fiscals 2024, 2023 and 2022 and quarterly financial results for the quarter ended June 30, 2024, included in this Preliminary Placement Document are prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 (as amended from time to time, "the Act") and presentation requirements of Division II of schedule III to the Act. Ind AS differs from accounting principles with which prospective investors may be familiar, such as IFRS and U.S. GAAP. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Accordingly, the degree to which the Financial Statements included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS. Investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Persons not familiar with Ind AS should limit their reliance on the financial disclosures presented in this Preliminary Placement Document.

51. We may not be able to fully comply with insider trading rules and regulations, which could result in criminal and regulatory fines and severe reputational damage. Further, we may fail to detect illegal or improper activities in our business operations on a timely basis, which may have an adverse effect on our reputation, business operations, financial condition, cash flows and results of operation.

We are required to comply with applicable insider trading laws and regulations, including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. These laws and regulations require us to establish sound internal control policies and reporting procedures with respect to insider trading. Such policies and procedures require us to, among other things, establish or designate a policy for prohibition of insider trading which imposes reporting obligations on connected persons who are in possession of undisclosed price sensitive information in relation to the securities of our Company. Since we experience large volumes of transactions in our securities, the policies and procedures implemented by us may not always comprehensively detect or eliminate instances of insider trading.

Further, we are subject to various laws relating to the prevention of other conflicts of interest. Conflicts of interest may exist between, (i) our departments; (ii) us and our vendors; (iii) different customers serviced by us; (iv) our employees and us; or between (v) our customers and our employees. Although we have internal controls and measures in place, there is no assurance that we will always manage such conflicts of interest, including compliance with various applicable laws and regulations.

If the controls and measures implemented for detecting or eliminating insider trading or other improper or illegal trading activities which result in conflicts of interest are considered inadequate under applicable laws and regulations by any regulatory, governmental or judicial authority, we may be subject to penal action, freezing or attachment of our assets, imposition of fines, or both. There is no assurance that the controls and measures implemented by us are adequate to detect or eliminate every instance of insider trading in a timely manner or at all. Any such lapse may adversely affect our reputation, business operations, financial condition, cash flows and results of operations.

52. Power transmission and distribution companies are subject to adverse publicity and reputational risks, which make them vulnerable to negative customer perception and could lead to increased regulatory oversight or other sanctions.

Transmission and distribution companies are important to transmitting and distributing electricity that is critical to end use customers and as a result have been the subject of public criticism focused on the reliability of their distribution services, the speed with which they are able to respond to outages and their billing practices. From time to time, our customers express dissatisfaction with our services, including, among other things, dissatisfaction with our customer support, our billing policies, and the way our solutions operate. If we do not handle customer complaints effectively, our brand and reputation may suffer, we may lose our customers' confidence, and they may choose not to renew their contracts with us. Adverse publicity of this nature may render legislatures, public service commissions and other regulatory authorities and government officials less likely to view private utilities companies such as our Company in a favorable light and may cause it to be susceptible to less favorable legislative and regulatory outcomes or increased regulatory oversight. Unfavorable regulatory outcomes can include more stringent laws and regulations governing our operations, as well as fines, penalties or other sanctions or requirements, such as orders to issue refunds to our customers. The imposition of any of the foregoing would likely increase the compliance costs borne by us, and could have a negative impact on our reputation, business, results of operations, cash flow and financial condition.

53. We are exposed to variations in foreign exchange rates. If we are unable to adequately hedge our foreign currency exposure, our financial condition may be affected.

While our principal revenues are in Rupees, we borrow funds from outside India in foreign currencies. As of March 31, 2024, we had ₹37,008.87 crore of total borrowings (non current borrowing and current borrowing). ₹25,357.82 crore, or approximately 68.52% of our total borrowings (non current borrowing and current borrowing) as of March 31, 2024 were denominated in U.S. dollars and Euros, and no outstanding borrowings were denominated in other foreign currencies. Further, we also purchase equipment from suppliers located outside India and payment for such equipment is typically denominated in U.S. dollars. In recent years, the Rupee has depreciated against the U.S. dollar owing to various factors. Accordingly, such depreciation of the Rupee against the U.S. dollar or other foreign currencies will increase the Rupee cost for us for servicing and repaying our foreign currency borrowings. Currently, any transmission or distribution-related financial expense that we incur as a result of foreign currency borrowing is passed on to our customers as part of our tariff arrangements. Were this to change, volatility in foreign exchange rates could adversely affect our business. In addition, in the event of disputes under any of our foreign currency borrowings, we may be required by the terms of those borrowings to defend ourselves in foreign courts or arbitration proceedings, which could result in additional costs to us. A depreciation of the Rupee would also increase the costs of imports by us and may have a material adverse effect on our business, prospects, financial condition and results of operations. In addition, our hedging policy and arrangements with respect to our foreign currency exposure may not, when implemented, fully protect us from foreign exchange rate fluctuations.

54. The schedule of deployment of Net Proceeds from the Issue as set out in the section "Use of Proceeds" will be at the discretion of our management.

The section "*Use of Proceeds*" sets out the proposed utilisation of Net Proceeds of the Issue and the schedule within which the Net Proceeds of the Issue are proposed to be utilised. We have appointed CARE Ratings as a monitoring agency for the purpose of the Issue pursuant to the Monitoring Agency Agreement and the Monitoring Agency will be required to review the utilisation of Net Proceeds by our Company. However, the schedule of deployment indicated in the section "*Use of Proceeds*" has been determined by our Company based on estimates and assumptions currently held. We may have to revise our funding requirement on account of various factors, such as financial and market conditions, delay in procuring and operationalizing assets or necessary licenses and approvals, competition, price fluctuations, interest rate fluctuations and other external factors, which may not be within the control of our management. This may also entail rescheduling of the proposed deployment of the Net Proceeds at the discretion of our management, subject to compliance with applicable laws. Further, in the event, the Net Proceeds are not utilized (in full or in part) for the objects of the Issue during the period stated above due to any reason, including (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized in subsequent periods in such manner as may be determined by our Company, in accordance with applicable laws. Further, our Company may also utilise any portion of the Net Proceeds, towards the Objects of the Issue, ahead of the estimated schedule of deployment specified in the section "*Use of Proceeds*" beginning on page 84.

55. ***Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency and our management will have broad discretion over the use of the Net Proceeds. Further, the schedule of the implementation of the projects for which funds are being raised in the Issue, is subject to risk of unanticipated delays in implementation and cost overruns.***

We intend to utilise a portion of the Net Proceeds for (a) funding capital expenditure requirements of some of our Subsidiaries in relation to setting up transmission systems; (b) funding capital expenditure requirements of some of our Subsidiaries in relation to purchase and installation of smart meters; (c) repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by our Company and/or some of our Subsidiaries; and (d) general corporate purposes. For details, see "*Use of Proceeds*" beginning on page 84. The purposes for which the Net Proceeds will be utilised have not been appraised by any independent entity and are based on our estimates. These estimates are based on current conditions and is subject to change in light of changes in external circumstances, costs, other financial conditions or business strategies and the passage of time. If we engage someone other than the identified third-party vendors from whom we have obtained quotations or if the quotations obtained expire, such vendor's estimates and actual costs may differ from the current estimates. Our management will have broad discretion to use the Net Proceeds and you will be relying on the judgment of our management regarding the application of these Net Proceeds. Subject to applicable laws, we may have to revise our funding requirements, including increasing or decreasing capital expenditure on account of a variety of factors, some of which may be beyond our control, including the changes in costs, our financial condition, business and strategy or external circumstances such as market conditions, competitive environment, interest or exchange rate fluctuations and finance charges. Any failure to implement our capital expenditure plans in a timely manner and as per cost estimates currently available, could have an adverse effect on our business, results of operations, financial condition and growth prospects.

56. ***Our Promoter Group does not include certain immediate relatives of the spouses of our Promoters.***

We have identified our promoter group in accordance with the SEBI ICDR Regulations, except certain immediate relatives of spouses of our Promoters (i.e., certain immediate relatives of Priti G. Adani and Shilin R. Adani) as Promoter Group and body corporate / firms / HUFs connected thereto (which is in line with our historical practice). The relevant information pertaining to such persons is not available with us in our records, as such persons have not been considered as members of the Promoter Group by us and they do not exercise any control over us. Accordingly, based on and limited only to the extent of information publicly available from the websites such as "Watchout Investors" website (accessible at https://www.watchoutinvestors.com/), the website of TransUnion CIBIL Limited (accessible at https://www.cibil.com/), website of SEBI (accessible at https://www.sebi.gov.in/index.html), website of BSE (accessible at https://www.bseindia.com/) and website of NSE (accessible at https://www.nseindia.com/), we believe that these individuals are not debarred from accessing capital markets by SEBI and have not settled any alleged violations of securities laws through the settlement mechanism of SEBI in the immediately preceding three years. Given that the above statement is based only on information publicly available from the websites mentioned above, there can be no assurance that such statement is true and complete in all respects or at all.

External Risk Factors

1. ***Our performance and growth is dependent on the factors affecting the Indian economy.***

We derive, and expect to continue to derive in the foreseeable future, most of our revenues and operating profits from India. Accordingly, the performance and the growth of our business is dependent on the performance of the Indian economy which, in turn, depends on various factors. The Indian economy has been affected by the recent global economic uncertainties, volatility in interest rates, currency exchange rates, commodity and electricity prices, adverse conditions affecting agriculture and various other macroeconomic factors. The Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes upon the Indian economy, the power industry, and, consequently, our business.

Conditions outside India, such as a slowdown or recession in the economic growth of other major countries and regions or volatility in international securities markets, especially in the United States, Europe and China, have an impact on the growth of the Indian economy, and GoI policy may change in response to such conditions. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any such financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries, may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. While recent Indian governments have been focused on encouraging private participation in the industrial sector, any adverse change in policy could result in a further slowdown of the Indian economy. In addition, these policies will need continued support from stable regulatory regimes that stimulate and encourage the investment of private capital into industrial development. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively impact interest rates and liquidity, which could adversely impact the Indian economy and our business. Any downturn in the macroeconomic environment in India could materially adversely affect our business, prospects, financial condition and results of operations.

2. Changes in macroeconomic factors and government policies may impact the power industry and power transmission and distribution and smart metering, which could negatively impact our business.

We derive and expect to continue to derive in the foreseeable future, most of our revenues and operating profits from India. Changes in macroeconomic conditions generally impact the power sector and could negatively impact our business. Accordingly, our business is highly dependent on the state of development of the Indian economy and the macroeconomic environment prevailing in India. Changes in government policies that favor the development of power generation, including large-scale power projects of over 1,000 MW that generally require increased transmission facilities for evacuating the electricity they generate, may have an adverse impact on demand for transmission facilities. Similarly, changes in government policies concerning distribution business, such as the proposal to introduce the franchisee model of distribution, whereby an area is tendered out to the highest bidder by the particular state distribution company to any private company that manages billing and collection on behalf of the distribution company, the proposal to introduce reforms allowing consumers to choose their electricity supplier on the basis of service and tariff provided by various players or the proposal to separate carriage and content may adversely impact our revenues. In relation to our smart metering business, changes in government policies, such as those affecting regulatory incentives, implementation timelines, funding mechanisms or technical standards for smart meters, could impact our operations and growth plans, as well as lead to increased costs. Since the use of our transmission and distribution assets and our expansion plans depend or will depend on the operation of power generation projects, macroeconomic factors that may negatively impact demand for electricity or more generally the development of power generation projects in India or the timely commencement of their operations (such as fuel price fluctuations, volatility and other market conditions that may adversely impact power generation projects) could in turn have a material adverse effect on our growth prospects, business and cash flows. instance, during the COVID-19 pandemic, the CERC issued an order, directing amongst others, the reduction in late payment surcharge for payments overdue from distribution companies. In addition, access to financing may be more expensive or not available on commercially acceptable terms during economic downturns. Any of these factors and other factors beyond our control could have a material adverse effect on our business, prospects, financial condition and results of operations.

3. We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.

The Competition Act, 2002, as amended (the "**Competition Act**"), regulates agreements having or likely to have an appreciable adverse effect on competition ("**AAEC**") in the relevant market in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. Given that we pursue strategic acquisitions, we may from time to time be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, any enforcement proceedings initiated by the CCI, any adverse publicity that may be generated due to scrutiny or prosecution by the CCI, or any prohibition or substantial penalties levied under the Competition Act, which would adversely affect our business, results of operations, cash flows and prospects.

The GoI has also passed the Competition (Amendment) Act, 2023 on April 11, 2023, which has made several amendments to the Competition Act. These amendments include the introduction of deal value thresholds for assessing whether a merger or acquisition qualifies as a "combination", expedited merger review timelines, codification of the lowest standard of "control" and enhanced penalties for providing false information or a failure to provide material information. Such amendment to the Competition Act will result in additional costs for compliance, which in turn may adversely affect our business, results of operations, cash flows and prospects.

4. Natural disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19, man-made disasters, including acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition, cash flows and results of operations.

Our operations may be adversely affected by fires, natural disasters and / or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares.

In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the investor's sentiments and availability of capital. In addition, India has witnessed local civil disturbances in recent years, and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. Certain countries in Southeast Asia have reported cases of bird-to-human transmission of avian and swine influenza, resulting in numerous human deaths. A worsening of the current outbreak of COVID-19 virus or future outbreaks of COVID-19 virus, avian or swine influenza or a similar contagious disease could adversely affect the Indian economy and economic activity in the region and in turn have a material adverse effect on our business and the trading price of the Equity Shares.

5. ***A decline in India's foreign exchange reserves may reduce liquidity and increase interest rates in India, which could have an adverse impact on us.***

Flows to foreign exchange reserves can be volatile, and past declines have adversely affected the valuation of the Rupee. According to the weekly statistical supplement of the RBI Bulletin, India's foreign exchange reserves totalled ₹5,612,521 crore as at July 19, 2024. There can be no assurance that India's foreign exchange reserves will not decrease again in the future. A sharp decline in these reserves could result in reduced liquidity and higher interest rates in the Indian economy. Reduced liquidity or an increase in interest rates in the economy following a decline in foreign exchange reserves could have a material adverse effect on our Company's financial performance and our ability to obtain financing to fund our growth on favorable terms or at all.

6. ***Political instability or significant changes in the economic liberalization and deregulation policies of the GoI or in the states where we operate could disrupt our business.***

The GoI exercises significant influence over many aspects of the Indian economy. Our Company is incorporated in India and we derive substantially all of our revenue from India. In addition, all of our assets are located in India. Consequently, our business may be adversely affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments in or affecting India and the states of India in which we operate. Since 1991, India has been following a course of economic liberalization and financial sector reforms, including significant relaxations of restrictions on the private sector. Nonetheless, the GoI continues to have a dominant influence over many aspects of the economy, and its economic policies, including its fiscal and economy policy, direct and indirect taxes and its export-import policy have had and continue to have a significant effect on private-sector entities, including our Company. Further, our business is also impacted by regulation and conditions in the various states in India where we operate.

India has a mixed economy with a large public sector and an extensively regulated private sector. The role of the GoI and state governments in the Indian economy and their effect on producers, consumers, service providers and regulators have remained significant over the years. The GoI has in the past, among other things, imposed controls on the prices of a broad range of goods and services, restricted the ability of businesses to expand existing capacity and reduce the number of their employees, determined the allocation to businesses of raw materials and foreign exchange and reversed their policies of economic liberalization. Our Company may not be able to react to such changes promptly or in a cost-effective manner. Slowdowns in the pace of economic liberalization and deregulation, increased regulation or changes in existing regulations may require us to change our business policies and practices and may increase the cost of providing services to our customers, which would have an adverse effect on our Company's operations, financial condition and results of operations.

Although the current GoI has continued India's economic liberalization and deregulation programs, there can be no assurances that these liberalization policies will continue in the future. Additionally, GoI corruption, scandals and protests against certain economic reforms have occurred in the past and could in the future slow the pace of liberalization and deregulation. The rate of economic liberalization could decrease, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. A significant change in India's economic liberalization and deregulation policies, in particular, those relating to the transmission and distribution industry, could disrupt business and economic conditions in India generally and our business in particular.

7. ***An economic downturn in India could cause our business to suffer.***

Slowdown in the growth of the Indian economy could adversely affect our business and our lenders and contractual counterparties, especially if such a slowdown were to be prolonged. The growth rate of India's GDP was 9.1% and 7.2% during Fiscals 2022 and 2023 and is expected to grow at a rate of 7.6% during Fiscal 2024. The performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be adversely affected by such economic slowdown. Notwithstanding the RBI's policy initiatives, the course of market interest rates continues to be uncertain due to the high inflation, the increase in the fiscal deficit and the GoI's borrowing program. Any continued or future inflation because of increases in prices of commodities such as crude oil or otherwise, may result in a tightening of monetary policy and could materially and adversely affect our business, financial condition and results of operations. Any increase in interest rates or reduction in liquidity could adversely impact our business.

8. ***Changing laws, rules and regulations and legal uncertainties may adversely affect our business and financial performance.***

Our business and operations are governed by various laws and regulations. Our business and financial performance could be materially adversely affected by any change in laws or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to the business.

For instance, the GoI introduced new laws relating to social security, occupational safety, industrial relations and wages namely, the Code on Social Security, 2020, the Occupational Safety, Health and Working Conditions Code, 2020, the Industrial Relations Code, 2020 and the Code on Wages, 2019, which consolidate, subsume and replace numerous existing central labor legislations, were to take effect from April 1, 2021 (collectively, the "**Labour Codes**"). The GoI has deferred the effective date of implementation of the respective Labour Codes, and they shall come into force from such dates as may be notified. Different dates may also be appointed for the coming into force of different provisions of the Labour Codes. While the rules for implementation under these codes have not been notified in its entirety, as an immediate consequence, the coming into force of these codes could increase the financial burden on our Company, which may adversely impact our profitability. We are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future. For example, Code on Social Security, 2020, aims to provide uniformity in providing social security benefits to the employees which was earlier segregated under different acts and had different applicability and coverage. Furthermore, the Code on Wages, 2019 limits the amounts that may be excluded from being accounted toward employment benefits (such as gratuity and maternity benefits) to a maximum of 50% of the wages payable to employees. The implementation of such laws has the ability to increase our employee and labour costs, thereby adversely impacting our results of operations, cash flows, business and financial performance.

The GoI or state governments could implement new regulations and policies, which could require us to obtain approvals and licenses from the government and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on our business, prospects, financial condition and results of operations.

9. ***We face significant competition as a result of deregulation in the Indian power sector which could result in an adverse effect on our business prospects, financial condition and results of operations.***

We operate in an increasingly competitive environment. This is particularly the case because of the deregulation of the Indian power sector and increased private sector investment. The Electricity Act provides for open access to transmission and distribution networks. This reform provides opportunities for increased private sector participation in power transmission and distribution.

Competitive bidding for power transmission and distribution infrastructure projects further increases competition. Our competitors may have greater resources than we do and may be able to achieve better economies of scale, allowing them to bid at more competitive rates. We may face the pressure of decreased margins due to such competition. As more private sector players enter the market, we may not be able to retain our existing customers or attract new customers. We may not be able to compete effectively, and our failure to do so could result in a material adverse effect on our business prospects, financial condition and results of operations.

10. ***We are subject to regulatory, economic and social and political uncertainties and other factors beyond our control.***

We are incorporated in India, and we conduct our corporate affairs and our business in India. Consequently, our business, operations, financial performance may be affected by various factors that are beyond our control. Such factors include changes in investment patterns, budget announcements, policy announcements, political changes, changes in interest rates, inadequate monsoons, health pandemics, terrorist attacks, natural calamities and other acts of violence or war, which may adversely affect worldwide financial and Indian markets. These could potentially lead to an economic recession, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy. The regulatory and policy environment in which we operate is evolving and is subject to change.

Further, India has, from time to time, experienced instances of civil unrest and terrorist attacks, regional or international hostilities and other acts of violence as well as other adverse social, political and economic events. India has also experienced natural calamities such as earthquakes, tsunamis, floods and droughts in the past. If such events occur and lead to overall political and economic instability, it could have a materially adverse effect on our business, financial condition, cash flows and results of operations. Further, any such events that affect the functioning of our operations and IT systems could lead to a shutdown of certain of our operations, which could result in a material adverse effect on our business, financial condition, cash flows and results of operations.

Other factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;

- the impact of international trade wars or uncertain or unfavorable policies on international trade or (whether or not directly involving the Government of India);

- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;

- prevailing income conditions among Indian customers and Indian corporations;

- epidemic or any other public health in India or in countries in the region or globally, including in India's various neighboring countries;

- macroeconomic factors and central bank regulations, including in relation to interest rates movements which may in turn adversely impact our access to capital markets and increase our borrowing costs;

- volatility in, and actual or perceived trends in trading activity on India's principal stock exchanges, that is, on the National Stock Exchange and the Bombay Stock Exchange;

- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;

- political instability, including terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;

- civil unrest, acts of violence, regional conflicts or situations or war may adversely affect the financial markets;

- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;

- logistical and communication challenges;

- downgrading of India's sovereign debt rating;

- changes in government policies, including taxation policies, social and civil unrest and other political, social and economic developments in or affecting India;

- occurrence of natural calamities and force majeure events;

- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and / or a timely basis; and

- being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could materially adversely affect our business, financial condition, results of operations, cash flows and prospects.

11. Any downgrading of India's sovereign debt rating by rating agencies could have a negative impact on our business.

India's sovereign rating is Baa3 with a "stable" outlook by Moody's Investors Service Limited, BBB- with a "stable" outlook by S&P and BBB- with a "stable" outlook by Fitch. Any adverse revisions to India's credit ratings by rating agencies may adversely affect our ability to raise additional financing and the interest rates and other terms at which such additional financing is available. This could materially adversely affect our ability to obtain financing for capital expenditure, which could in turn materially adversely affect our business, prospects, financial condition and results of operations.

12. Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and particularly in emerging market countries located in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and our future financial performance.

Further, economic developments globally can have a significant impact on India. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Liquidity and credit concerns and volatility in the global credit and financial markets have increased significantly with the bankruptcy or acquisition of, and government assistance extended to, several major US and European financial institutions. These and other related events have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in global credit and financial markets. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current difficult conditions in the global credit markets continue or if there is any significant financial disruption, such conditions could have an adverse effect on our business, future financial performance and the trading price of the Equity Shares.

Further, significant political, regulatory and economic uncertainty remains about how the precise terms of the relationship between the parties will differ from the terms before withdrawal, and more generally, as to the impact of United Kingdom's exit from the European Union ("**EU**") – Brexit on the general economic conditions in the United Kingdom and the European economies and any consequential impact on global financial markets. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. These developments, or the perception that any related developments could occur, have and may continue to have a material adverse effect on global economic conditions and financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operation and reduce the price of the Equity Shares.

13. If inflation rises in India, we may not be able to increase the prices of our services in order to pass costs on to our customers and our profits may decline.

Inflation rates could be volatile, and we may face high inflation in the future as India had witnessed in the past. Increased inflation can contribute to an increase in interest rates and increased costs of borrowings resulting in increased cost to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our operating expenses, which we may not be able to pass on to our customers by increasing tariff rates, and the same may adversely affect our business, cash flows and financial condition. While the Government of India through the RBI continuously take economic measures to combat high inflation rates, it is unclear whether these measures will remain in effect, and there can be no assurance that Indian inflation levels will not rise in the future.

14. Changes in the taxation system in India could adversely affect our business.

Any change in Indian tax laws could have an effect on our operations. For instance, the Government of India implemented two major reforms in Indian tax laws, namely the Goods and Services Tax ("**GST**"), and provisions relating to general anti-avoidance rules ("**GAAR**"). The indirect tax regime in India underwent a complete overhaul. Any dividend distribution by a domestic company is subject to tax in the hands of the investor at their applicable income tax rate. Taxes are to be withheld by the Indian company on such dividends at the applicable rate. Non-resident shareholders may claim benefit of the applicable tax treaty read with the Multilateral Instrument, if and to the extent applicable, subject to satisfaction of certain conditions. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares. Further, the Government of India has announced the interim union budget for the financial year 2024-2025 and has enacted the Finance Act, 2024. While the Finance Act, 2024 does not propose any significant changes to Income-tax Act, 1961 ("**IT Act**"), the full union budget which is likely to be announced later this year may introduce amendments to the IT Act. There is no certainty on the impact of the full union budget on tax laws or other regulations, which may adversely affect the Company's business, financial condition, results of operations or on the industry in which we operate. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning, investing or trading in the Equity Shares. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future. We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether if at all, any laws or regulations would have an adverse effect on our business. Further, any adverse order passed by the appellate authorities/ tribunals/courts would have an effect on our profitability. In addition, we are subject to tax related inquiries and claims.

15. Severe weather conditions in India may have an adverse effect on our operations.

Our operations may be adversely affected by severe weather conditions in India, which may require the evacuation of personnel, suspension or curtailment of operations, result in damage to construction sites or delays in the delivery of our products or supply of raw materials. Collectively, the effect may cause delays to our contract schedules and generally reduce our productivity. In addition, the implementation of our power transmission projects or expansion of our distribution lines may also be adversely affected during the monsoon seasons which may lead to floods and restrict our ability to carry on construction activities and fully utilize our resources. There could also be damage to our power transmission and distribution infrastructure following any severe weather conditions including floods or cyclones.

16. Our ability to raise foreign capital may be constrained by Indian law.

Companies operating in India are subject to exchange controls that regulate borrowing and investing in foreign currencies. Such regulatory restrictions could limit our financing sources for acquisitions and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we may not receive any approval required to raise foreign capital without onerous conditions, or at all. Limitations on foreign debt and investments may have a material adverse effect on our business growth, financial condition, cash flows and results of operations.

17. Investors in the Equity Shares may not be able to enforce a judgment of a foreign court against our Company, our Directors key managerial personnel or senior management personnel, except by way of a suit in India on such judgment.

Our Company is a limited liability public company incorporated under the laws of India. Except for our Director, Lisa Caroline MacCallum, who is a citizen of Australia, all of the directors of our Company, Key Managerial Personnel and Senior Management Personnel, named in this Preliminary Placement Document are residents of India. Further, all of our assets are located in India. As a result, it may be difficult for investors to effect service of process upon our Company or such persons or to enforce judgments obtained against such parties outside of India.

The recognition and enforcement of foreign judgments in India are governed by Sections 13 and 44A of the Civil Code, which provide that a suit must be brought in India within three years of the date of the judgment sought to be enforced. Generally, there are considerable delays in the disposal of suits by Indian courts. Furthermore, enforcement of foreign arbitral awards is governed under Sections 48, 49, 55 and 57 of the Arbitration and Conciliation Act, 1996. However, the courts may refuse to enforce such awards if the courts find that the subject-matter of the dispute is not capable of being settled under the laws of India or if the enforcement would be contrary to the public policy of India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were to be brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under the FEMA to repatriate any amount recovered, and such approval may not be forthcoming. For further details, see "*Enforceability of Civil Liabilities*" on page 17.

18. Our business may be affected by sanctions, export controls and similar measures targeting Russia and other countries and territories as well as other responses to Russia's invasion of Ukraine, including indefinite suspension of operations in Russia and Belarus by many multi-national businesses across a variety of industries.

As a result of Russia's invasion of Ukraine, governmental authorities in the United States, the EU and the United Kingdom, among others, launched an expansion of coordinated sanctions and export control measures, including:

- blocking sanctions on some of the largest state-owned and private Russian financial institutions (and their subsequent removal from the Society for Worldwide Interbank Financial Telecommunication ("**SWIFT**") payment system);

- blocking sanctions against Russian and Belarusian individuals, including the Russian President, other politicians and those with government connections or involved in Russian military activities;
- blocking sanctions against certain Russian businessmen and their businesses, some of which have financial and trade ties to the EU;
- blocking of Russia's foreign currency reserves and prohibition on secondary trading in Russian sovereign debt and certain transactions with the Russian Central Bank, National Wealth Fund and the Ministry of Finance of the Russian Federation;
- expansion of sectoral sanctions in various sectors of the Russian and Belarusian economies and the defence sector;
- U.K sanctions introducing restrictions on providing loans to, and dealing in securities issued by, persons connected with Russia;
- restrictions on access to the financial and capital markets in the EU, as well as prohibitions on aircraft leasing operations;
- sanctions prohibiting most commercial activities of the United States and EU persons in Crimea and Sevastopol;
- enhanced export controls and trade sanctions targeting Russia's imports of technological goods as a whole, including tighter controls on exports and re-exports of dual-use items, stricter licensing policy with respect to issuing export licenses, and/or increased use of "end-use" controls to block or impose licensing requirements on exports, as well as higher import tariffs and a prohibition on exporting luxury goods to Russia and Belarus;
- closure of airspace to Russian aircraft; and
- ban on imports of Russian oil, liquefied natural gas and coal to the United States.

As the conflict in Ukraine continues, there can be no certainty regarding whether these countries or other counties will impose additional sanctions, export controls or other measures targeting Russia, Belarus or other territories. Furthermore, in retaliation against new international sanctions and as part of measures to stabilize and support the volatile Russian financial and currency markets, the Russian authorities also imposed currency control measures aimed at restricting the outflow of foreign currency and capital from Russia, imposed various restrictions on transacting with non-Russian parties, banned exports of various products and other economic and financial restrictions.

Our business must be conducted in compliance with applicable economic and trade sanctions laws and regulations, including those administered and enforced by the United States Department of Treasury's Office of Foreign Assets Control, the United States Department of State, the United States Department of Commerce, the United Nations Security Council and other relevant governmental authorities. We must be ready to comply with the existing and any other potential additional measures imposed in connection with the conflict in Ukraine. The imposition of such measures could adversely impact our business, including preventing us from performing existing contracts, recognizing revenue, pursuing new business opportunities already provided to our customers.

We do not currently have contracts directly with the entities or businesses on the sanctions list and we currently do not have operations in Russia, Belarus, the Crimea Region of Ukraine, the so-called Donetsk People's Republic or the so-called Luhansk People's Republic. We continuously review and monitor our contractual relationships with suppliers and customers to evaluate whether any are target of the applicable sanctions. In the unlikely event that we identify a party with which we have a business relationship that is the target of applicable sanctions, we will immediately activate a legal analysis of what gives rise to the business relationship, including any contract, to estimate the most appropriate course of action to comply with the sanction regulations, together with the impact of a contractual termination according to the applicable law, and then proceed as required by the regulatory authorities. However, given the range of possible outcomes, the full costs, burdens, and limitations on our and our customers' and partners' businesses are currently unknown and may become significant.

19. We are subject to anti-bribery and anti-corruption laws, violation of which may subject our Company and/or our Promoters to governmental inquiries and/or investigations, which if material and adverse in nature, could adversely affect our business, results of operations and financial condition in future periods and our reputation.

We have operations and projects, in India. Those operations and projects often involve interactions with governmental authorities and officials at the Indian federal, state and local level. We are subject to anti-corruption and anti-bribery laws in India that prohibit improper payments or offers of improper payments to governments and their officials and political parties for the purpose of obtaining or retaining business or securing an improper advantage and require the maintenance of internal controls to prevent such payments. Although, we maintain an anti-bribery compliance program and train our employees in respect of such matters, our employees might take actions that could expose us to liability under anti-bribery laws. In certain circumstances, we may be held liable for actions taken by our partners and agents, even though they are not always subject to our control. Further, one of our Promoters is subject to or exposed to present inquiries and investigations under the anti-bribery or anti-corruption laws of other countries (such as the U.S. Foreign Corrupt Practices Act). It is not possible to predict the outcome or timing of commencement, continuation and completion of inquiries or investigation(s), as the case may be, in India or overseas. Any finding of a violation of anti-corruption laws against such Promoter could result in penalties, both financial and non-financial, that could consequently have a material adverse effect on our business and our reputation. Any violation of anti-corruption laws against us or our Promoters could result in penalties, both financial and non-financial, that could have a material adverse effect on our business, results of operations and financial condition in future periods and reputation.

Risks Related to the Equity Shares

1. Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade.

Investors can start trading in the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. In accordance with Indian law and practice, final approval for listing and trading of our Equity Shares will not be granted until after the Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of the Equity Shares. Accordingly, there could be a failure or delay in listing the Equity Shares on NSE and BSE, which would adversely affect your ability to sell the Equity Shares. Since the Equity Shares are currently traded on the BSE and the NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Furthermore, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

2. The trading volume and market price of the Equity Shares may be volatile following the Issue, and you may not be able to sell your Equity Shares at or above the Issue Price.

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- actual or anticipated variations in our results of operations, including compared to expectations of securities analysts and investors and those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by analysts and investors;
- announcements about our earnings that are not in line with analyst expectations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- complaints from our customers or outages, failures or disruptions in our ability to supply electricity to our customers;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of senior management;
- changes in our shareholder base;
- changes in our dividend policy;
- changes in accounting standards, policies, guidance, interpretations or principles;
- the public's reaction to our press releases, other public announcements, and filings with the regulator;
- adverse media reports about us or our industry;
- changes / volatility in exchange rates;
- changes in the regulatory and legal environment in which we operate;
- fluctuations in stock market prices and volume; and

- general economic and stock market conditions.

Any of these factors listed above could result in large and sudden changes in the volume and trading price of the Equity Shares and adversely affect the price of the Equity Shares. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to resell the Equity Shares at or above the Issue Price. Furthermore, the Issue Price which may include a discount of not more than 5% on the Floor Price in accordance with the SEBI ICDR Regulations, which will be determined by our Company in consultation with the Lead Managers may not be necessarily indicative of the market price of the Equity Shares after this Issue is complete.

3. An investor will not be able to sell any of the Equity Shares subscribed in the Issue other than on a recognized Indian stock exchange for a period of one year from the date of allotment of such Equity Shares.

Pursuant to the SEBI ICDR Regulations, for a period of one year from the date of the allotment of the Equity Shares in the Issue, investors subscribing the Equity Shares in the Issue may only sell such Equity Shares on NSE or BSE and may not enter into any off-market trading in respect of such Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. This may affect the liquidity of the Equity Shares subscribed by investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares subscribed by investors.

4. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares or dividend paid thereon.

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements and capital expenditure. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant. We cannot assure you that we will be able to pay dividends in the future. Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realised on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of Securities Transaction Tax ("**STT**"), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Furthermore, any capital gains realised on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

5. Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding. Furthermore, any such further issuance of our securities and/or sale of Equity Shares by the Promoters or members of our Promoter Group may adversely affect the trading price of our Equity Shares.

We cannot assure you that we will not issue additional Equity Shares. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares may lead to the dilution of your shareholding in our Company. Furthermore, any future equity issuances by us or sale of our Equity Shares by the Promoters or members of our Promoter Group or any of our other principal shareholders or any public perception regarding such issuance or sales may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

6. There may be less information available about companies listed on Indian securities markets than companies listed on securities markets in other countries.

There may be less publicly available information about Indian public companies, including our Company, than is regularly disclosed by public companies in other countries with more mature securities markets. There is a difference between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants in those markets, and that of markets in other more developed economies. In India, while there are certain regulations and guidelines on disclosure requirements, insider trading and other matters, there may be less publicly available information about Indian companies than is regularly made available by public companies in many developed economies. As a result, you may have access to less information about our business, results of operations and financial condition, and those of our competitors that are listed on the Stock Exchanges, on an ongoing basis, than you may in the case of companies subject to the reporting requirements of certain other countries.

7. Under Indian law, foreign investors are subject to investment restrictions that may limit our ability to attract foreign investors, which may adversely affect the trading price of our Equity Shares.

Under foreign exchange regulations currently in force in India, the transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Furthermore, the GoI may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the GoI experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the GoI's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see "*Changes to the regulatory environment and the laws, rules and directives of the Government of India ("GoI") may negatively impact the management of our operations and our ability to secure required approvals, permits or licenses.*" on page 40.

8. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

9. Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.

Under the Companies Act 2013, as amended ("**Companies Act**"), a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction the investors are in, does not permit them to exercise their pre-emptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value such custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

10. Applicants to the Issue are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

In terms of the SEBI ICDR Regulations, applicants in the Issue are not allowed to withdraw their Bids after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately seven days and up to 10 days from the Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of *force majeure*, material adverse changes in the business, results of operations and financial condition of our Company, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of the Equity Shares. The applicants shall not have the right to withdraw their Bids in the event of any such occurrence. Our Company may complete the Allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

11. ***Our Equity Shares are quoted in Indian rupees in India and investors may be subject to potential losses arising out of exchange rate risk on the Indian rupee and risks associated with the conversion of Indian rupee proceeds into foreign currency.***

Investors are subject to currency fluctuation risk and convertibility risk since our Equity Shares are quoted in Indian rupees on the Indian stock exchanges on which they are listed. Dividends on the Equity Shares will also be paid in Indian Rupees and subsequently may need to be converted into the relevant foreign currency for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, foreign investors that seek to sell Equity Shares will have to obtain approval from the RBI, unless the sale is made on a stock exchange or in connection with an offer made under regulations regarding takeovers. Any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders. The volatility of the Indian rupee against other currencies may subject investors who convert funds into Indian rupees to purchase our Equity Shares to currency fluctuation risks.

MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document, 1,11,54,92,683 Equity Shares are issued, subscribed and fully paid up. The Equity Shares have been listed on the BSE and NSE since July 31, 2015 and are available for trading.

On July 29, 2024, the closing price of the Equity Shares on BSE and NSE was ₹ 1,052.25 and ₹ 1,051.95 per Equity Share, respectively. Since the Equity Shares are available for trading on BSE and NSE, the market price and other information for each of BSE and NSE has been given separately.

A. The following tables set out the reported high, low and average of the closing prices of our Equity Shares on the NSE and the BSE and number of Equity Shares traded on the days on which such high and low prices were recorded and the total trading turnover for the Fiscal 2024, 2023 and 2022:

NSE

Fiscal	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Volume of Equity Shares traded on date of high (₹ in crore)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Volume of Equity Shares traded on date of low (₹ in crore)	Average price for the year (₹)	Total no. of Equity Shares traded in the fiscal	Total Volume of Equity Shares traded in the fiscal (₹ in crore)
Fiscal 2024	1,198.70	December 7, 2023	1,39,02,767	1,673.28	718.90	October 25, 2023	4,55,111	33.30	910.94	69,54,52,277	65,410.21
Fiscal 2023	4,105.40	September 15, 2022	7,78,257	319.52	642.90	February 28, 2023	46,07,943	301.09	2,568.93	18,32,14,623	40,817.90
Fiscal 2022	2,461.55	March 29, 2022	1,54,636	38.12	899.25	April 13, 2021	21,33,962	189.71	1,634.68	10,75,49,949	15,299.72

(Source: www.nseindia.com)
1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.

BSE

Fiscal	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Volume of Equity Shares traded on date of high (₹ in crore)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Volume of Equity Shares traded on date of low (₹ in crore)	Average price for the year (₹)	Total no. of Equity Shares traded in the fiscal	Total Volume of Equity Shares traded in the fiscal (₹ in crore)
Fiscal 2024	1197.60	December 7, 2023	7,63,376	91.85	717.80	October 25, 2023	1,09,115	7.98	910.88	4,11,38,255	3,871.57
Fiscal 2023	4105.55	September 15, 2022	41,671	17.12	642.55	February 28, 2023	2,10,987	13.77	2,568.31	2,10,987	13.77
Fiscal 2022	2,454.95	March 29, 2022	10,792	2.66	899.65	April 13, 2021	2,62,607	23.35	1,597.38	85,60,535	1,178.92

(Source: www.bseindia.com)
1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.

B. The following tables set out the reported high and low and average of the closing prices of our Equity Shares recorded on the NSE and the BSE and the number of Equity Shares traded on the days on which such high and low prices were recorded and the volume of Equity Shares traded in each of the last six months:

NSE

Month	High (₹)	Date of high	No. of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ in crore)	Low (₹)	Date of low	No. of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ in crore)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ in crore)
June, 2024	1,221.95	Jun 3, 2024	94,53,459	1,153.65	951.70	June 5, 2024	1,39,83,391	1,308.26	1,020.13	6,63,57,120	6,853.25
May, 2024	1,122.80	May 31, 2024	91,41,631	1,029.27	980.05	May 9, 2024	9,18,325	91.76	1,053.87	4,26,05,251	4,590.57
April, 2024	1,112.00	April 1, 2024	39,95,373	434.47	1,038.75	April 18, 2024	4,97,046	52.36	1,066.71	2,59,25,559	2,786.57
March, 2024	1,080.80	March 2, 2024	1,21,612	13.14	947.95	March 13, 2024	28,54,959	278.29	1,037.62	5,17,04,815	5,354
February, 2024	1,176.15	February 26, 2024	89,51,837	1,034.38	1,022.60	February 5, 2024	11,94,592	124.03	1,066.50	6,17,86,240	6,680.09
January, 2024	1,183.20	January 3, 2024	1,34,93,682	1,596.43	1,036.25	January 24, 2024	51,63,858	535.52	1,110.62	5,32,29,566	5,989.01

(Source: www.nseindia.com)
1. *High, low and average prices are based on the daily closing prices.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each month presented.*
3. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*

BSE

Month	High (₹)	Date of high	No. of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ in crore)	Low (₹)	Date of low	No. of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ in crore)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ in crore)
June, 2024	1222.05	June 3, 2024	9,33,801	11,377	952.40	June 5, 2024	11,43,085	106.11	1,019.86	53,43,585	559.29
May, 2024	1,122.80	May 31, 2024	1,80,892	20.42	979.15	May 9, 2024	33,849	3.39	1053.10	14,32,539	153.71
April, 2024	1112.00	April 1, 2024	1,77,761	19.30	1038.15	April 18, 2024	88,670	9.34	1066.67	17,66,724	189.68
March, 2024	1080.35	March 2, 2024	25,516	2.75	947.55	March 13, 2024	1,26,442	12.33	1,037.38	19,75,077	204.33
February, 2024	1,176.50	February 26, 2024	10,38,332	119.73	1,021.90	February 5, 2024	56,749	5.89	1,065.95	30,16,271	333.74
January, 2024	1,183.90	January 3, 2024	7,87,013	92.88	1,036.95	January 24, 2024	86,023	8.96	1,110.38	40,76,878	461.90

(Source: www.bseindia.com)
1. *High, low and average prices are based on the daily closing prices.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each month presented.*
3. *In case of two days with the same high or low price, the date with the higher volume has been chosen.*

C. The following table sets forth the market price on the Stock Exchanges on June 26, 2024, the first working day following the approval of our Shareholders for the Issue:

BSE						**NSE**					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (₹ in crore)**	**Open**	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (₹ in crore)**
1,011.15	1,023	999	1,003.5	34,448	3.49	1,012.95	1,023.00	996.75	1,005.10	34,80,521	353.52

(Source: www.bseindia.com and www.nseindia.com)

In the event the high or low or closing price of the Equity shares are the same on more than one day, the day on which there has been higher volume of trading has been considered for the purposes of this chapter

USE OF PROCEEDS

The Gross Proceeds of the Issue will aggregate up to ₹[●] crore. Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue of approximately ₹[●] crore, shall be approximately ₹[●] crore ("**Net Proceeds**").

Purpose of the Issue

Our Company proposes to utilise the Net Proceeds towards funding of the following objects:

1. Funding capital expenditure requirements of some of our Subsidiaries in relation to setting up transmission systems;

2. Funding capital expenditure requirements of some of our Subsidiaries in relation to purchase and installation of smart meters;

3. Repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by our Company and/or some of our Subsidiaries; and

4. General corporate purposes.

(collectively, referred to herein as the "**Objects**").

For the purposes of utilisation of the Net Proceeds for capital expenditure requirements of some of our Subsidiaries, our Company will make investments into such Subsidiaries, by way of equity or debt, in compliance with the applicable laws and in the manner set out hereinafter.

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable us to undertake: (i) our existing business activities and other activities set out therein; and (ii) the activities proposed to be funded from the Net Proceeds.

Utilisation of the Net Proceeds and proposed schedule of implementation and deployment of Net Proceeds

The Net Proceeds are proposed to be utilised in accordance with the details provided in the following table:

(*₹ in crore*)

Particulars	Amount[(2)]	Timeline for utilization of Net Proceeds (in months)
Funding capital expenditure requirements of some of our Subsidiaries in relation to setting up transmission systems	[●]	15 months
Funding capital expenditure requirements of some of our Subsidiaries in relation to purchase and installation of smart meters	[●]	15 months
Repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by our Company and/or some of our Subsidiaries	[●]	1 month
General corporate purposes[(1)]	[●]	[●]
Total Net Proceeds[(2)]	[●]	[●]

(1) To be determined upon finalisation of the Issue Price and updated in the Placement Document. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

(2) To be determined upon finalisation of Issue Price.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates, circumstances of our business and other commercial and technical factors. However, such fund requirements and deployment of funds have not been appraised by any bank, or financial institution or independent agency or the Lead Managers, in connection with the Issue. We may have to revise our funding requirements and deployment schedule on account of a variety of factors such as our financial and market condition, business and strategy, competition, price fluctuations and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure, implementation schedule and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws. Our historical expenditure may not be reflective of our future expenditure plans. Further, the fund requirements set out above are basis our estimates and our Company retains the rights to use the Net Proceeds specified against one Objects towards meeting the requirements under another Object, in accordance with the applicable laws.

In the event that the estimated utilization of the Net Proceeds is not completely met (in full or in part) as per the timelines set out above, due to factors stated above and other factors such as (i) economic and business conditions; (ii) the timing of completion of the Issue; (iii) market conditions outside the control of our Company; and (iv) any other business and commercial considerations, the remaining Net Proceeds shall be utilized (in full or in part) in subsequent periods as may be determined by our Company, in accordance with applicable laws. If the actual utilisation towards the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding other existing Objects of the Issue, if required and towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds, in accordance with the applicable laws. Further, our Board retains the right to change the above schedule of implementation and deployment of Net Proceeds, including the manner, method, and timing of deployment of the Net Proceeds, in case of change in our business requirements and other commercial considerations, subject to compliance with the applicable laws. For details on risks involved, see "*Risk Factors - Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or any other independent agency and our management will have broad discretion over the use of the Net Proceeds. Further, the schedule of the implementation of the projects for which funds are being raised in the Issue, is subject to risk of unanticipated delays in implementation and cost overruns.*" on page 69.

Details of the Objects

I. Funding capital expenditure requirements of some of our Subsidiaries in relation to setting up transmission systems

Our core business is electric power transmission over long distances at high voltages. Transmission networks supply electricity from generating resources to substations located near population and industrial centers. Through our power transmission business, we build, commission, operate and maintain electricity inter-state transmission systems and intra-state transmission systems. As of June 30, 2024, we have 21,187 circuit kms ("**ckm**") of transmission lines, 18,115 ckm of which was operational and another 3,072 ckm of transmission lines are under construction, 57,186 megavolt-ampere ("**MVA**") of power transformation capacity and are present across 14 states in India.

As of June 30, 2024, we have 38 transmission systems (including transmission systems of AEML and MUL), of which 29 are operational and 9 are under construction assets which are strategically located across 14 states in India. For details, see "*Our Business – Transmission Business*" on page 151.

In the quarter ended June 30, 2024 and last three Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022, some of the expansion and capitalized units that we have undertaken are set forth below:

S. No.	Name of the Project	Type of Expansion	Route Length (ckms)	Transformation Capacity (MVA)	No. of Substations
1.	Fatehgarh Bhadla Transmission Limited	TBCB Project	292	-	1
2.	Bikaner Khetri Transmission Limited	TBCB Project	481	-	-
3.	Ghatampur Transmission Limited	TBCB Project	897	-	-
4.	Obra-C Badaun Transmission Limited	TBCB Project	630	950	1
5.	Lakadia Banaskantha Transco Limited	TBCB Project	351	-	-
6.	WRSS XXI(A) Transco Limited	TBCB Project	295	3,000	1
7.	Jam Khambaliya Transco Limited	TBCB Project	37	2,500	1
8.	Warora Kurnool Transmission Ltd.	TBCB Project	1,756	3,000	1
9.	Karur Transmission Ltd.	TBCB Project	9	1,000	1
10.	Kharghar Vikroli Transmission Limited	TBCB Project	74	1,500	1
11.	Khavda Bhuj Transmission Limited	TBCB Project	217	4,500	1
			5,039	**16,450**	**8**

For further details of our business strategies and business verticals, see "*Our Business – Our Strategies*" and "*Our Business – Our Operations*" on pages 148 and 150, respectively.

Our Company intends to use ₹[●] crore from the Net Proceeds towards capital expenditure in relation to the following projects:

1. ***Capital expenditure towards transmission systems:***

   a) Capital expenditure towards setting up of a transmission system for evacuation of additional 7 GW of RE power from Khavda RE Park;

   b) Capital expenditure towards setting up of a transmission system for evacuation of additional 4.5 GW of RE power from Khavda RE Park;

   c) Capital expenditure towards setting up of a transmission system for injection beyond 3 GW RE power at Khavda PS1; and

   d) Capital expenditure towards setting up of a transmission system ISTS network expansion scheme in western region and southern region for export of surplus power during high RE scenario in southern region.

   (collectively, "Transmission System Projects")

a) ***Capital expenditure towards setting up of a transmission system for evacuation of additional 7 GW of RE power from Khavda RE Park.***

Our Company has been selected as a transmission service provider for "*Transmission system for evacuation of additional 7 GW of RE power from Khavda RE park under Phase III Part A*" through a tariff based competitive bidding process to set up a project on a build, own, operate and maintain basis, and to provide transmission service on a long-term basis. The project includes setting up of 765kV Halvad switching station with 765 kV, 2x330 MVAr bus reactors and Line-In and Line-Out ("**LILO**") of the Lakadia – Ahmedabad 765 kV D/C line at Halvad ("**HTL Transmission Project**").

Halvad Transmission Limited ("**HTL**"), one of our Subsidiaries, was acquired as a special purpose vehicle from PFC Consulting Limited on December 26, 2023 for setting up the HTL Transmission Project.

Estimated project cost

The total estimated project cost of the HTL Transmission Project, is ₹2,849.95 crore, as per the Detailed Project Report issued in January, 2024, by Fichtner Consulting Engineers (India) ("**F&C**" and such report, the "**HTL DPR Report**"). The detailed break-down of estimated project cost for setting up of the HTL Transmission Project as per the HTL DPR Report is set forth below:

S. No.	Particulars	Amount *(in ₹ crore)*
1.	Land and land development	104.94
2.	SPV transfer cost	18.43
3.	Sub-station & bays	607.05
4.	Tower supply & erection	1,269.36
5.	Conductor	463.60
6.	Other Supplies and overheads	-
7.	Financing cost	16.63
8.	Margin money	17.25
9.	Debt Service Reserve Account	101.76
10.	Contingency	47.63
11.	IDC	203.30
Total		**2,849.95**

b) ***Capital expenditure towards setting up of a transmission system for evacuation of 4.5GW RE injection at Khavda PS under Phase II- Part A***

Our Company has been selected as a transmission service provider for "*Transmission scheme for evacuation of 4.5GW RE injection at Khavda PS under Phase II- Part A*" through a tariff based competitive bidding process to set up a project on a build, own, operate and maintain basis, and to provide transmission service on a long-term basis. The project includes setting up of Lakadia 765kV D/C line, 330 MVAr switchable line reactors and 2 nos. of 765 kV line bays each at Lakadia PS & KPS2 (GIS) for evacuation of 4.5GW RE injection at Khavda Pooling Station under Phase II- Part-A ("**Khavda II-A Transmission Project**").

Khavda II-A Transmission Limited ("**Khavda II-A**"), one of our Subsidiaries, was acquired as a special purpose vehicle from REC Power Development and Consultancy Limited on March 28, 2023 for setting up the Khavda II-A Transmission Project.

Estimated project cost

The total estimated project cost of the Khavda II-A Transmission Project, is ₹1,269.47 crore, as per the Detailed Project Report issued in September, 2023, by F&C, (the "**Khavda II-A DPR Report**"). The detailed break-down of estimated project cost for setting up of the Khavda II-A Transmission Project as per the Khavda II-A DPR Report is set forth below:

S. No.	Particulars	Amount *(in ₹ crore)*
1.	Total cost of the transmission line (Including T&D)	710.8
2.	Total Substation cost (Including T&D)	183.36
3.	Land & SPV transfer cost	18.44
4.	Preliminary & pre-operative expenses	250.49
5.	Contingency & PV	13.4
6.	Financing cost (Including IDC & Financing charges, Insurance & WCM)	92.98
Total		**1,269.47**

c) ***Capital expenditure towards setting up of a transmission system for injection beyond 3 GW RE power at Khavda PS1***

Megha Engineering and Infrastructure Limited ("**MGEL**") was selected as a transmission service provider for "*Transmission scheme for injection beyond 3 GW RE power at Khavda PS1 (KPS1)*" through a tariff based competitive bidding process to set up a project on a build, own, operate and maintain basis, and to provide transmission service on a long-term basis. The project includes augmentation of Khavda PS1 by 765/400 kV transformation capacity with 330 MVAr 765 kV bus reactors and 125 MVAr, 420 kV bus reactor on 2nd 765 kV and 400kV bus section, respectively, and establishing Line-In and Line-Out ("**LILO**") 765 kV D/C line at KPS1-Khavda PS GIS. ("**KPS1 Transmission Project**").

KPS 1 Transmission Limited ("**KPS1**"), one of our Subsidiaries, was acquired as a special purpose vehicle from MGEL in August 2023 for setting up the KPS1 Transmission Project and is responsible for implementation of KPS1 Transmission Project.

Estimated project cost

The total estimated project cost of the KPS1 Transmission Project, is ₹864.81 crore, as per the Detailed Project Report issued in December, 2023, by F&C (the "**KPS1 DPR Report**"). The detailed break-down of estimated project cost for setting up of the KPS1 Transmission Project as per the KPS1 DPR Report is set forth below:

S. No.	Particulars	Amount *(in ₹ crore)*
1.	Total cost of the transmission line (Including T&D)	116.78
2.	Total Substation cost (Including T&D)	678.80
3.	Land & SPV transfer cost	13.88
4.	Preliminary & pre-operative expenses	4.91
5.	Contingency & PV	3.60
6.	Financing Cost (Including IDC & financing charges, insurance & WCM)	46.84
Total		**864.81**

d) ***Capital expenditure towards setting up of a transmission system ISTS network expansion scheme in western region and southern region for export of surplus power during high RE scenario in southern region***

Our Company has been selected as a transmission service provider for "*Transmission System for ISTS Network Expansion scheme in Western Region & Southern Region for export of surplus power during high RE scenario in Southern Region*" through a tariff based competitive bidding process to set up a project on a build, own, operate and transfer basis, and to provide transmission service. The project includes setting up of (i) 765kV D/c line from Narendra New (GIS) – Pune (GIS) with 1x330MVAr switchable line reactor (SLR); and (ii) upgradation of Narendra (New) (GIS) to its rated voltage of 765 kV level along with 4x1500 MVA transformer and 2x330 MVAr Bus Reactor ("**Narendra New Transmission Project**").

WRSR Power Transmission Limited ("**WPTL**"), one of our Subsidiaries, was acquired as a special purpose vehicle from REC Power Development and Consultancy Limited on January 17, 2023 for setting up the Narendra New Transmission Project.

Estimated project cost

The total estimated project cost of the Narendra New Transmission Project is ₹2,109.45 crore, as per the Detailed Project Report issued in July, 2023, by F&C (the "**Narendra New DPR Report**"). The detailed break-down of estimated project cost for setting up of the Narendra New Transmission Project as per the Narendra New DPR Report is set forth below:

S. No.	Particulars	Amount *(in ₹ crore)*
1.	SPV transfer cost	18.25
2.	Sub-station & bays	891.98
3.	Tower supply & erection	775.60
4.	Conductor	340.05
5.	Insurance cost	2.45
6.	Margin money	20.85
7.	Contingency	7.00
8.	IDC & financing charges	53.27
Total		**2,109.45**

Means of finance

The total estimated cost of the Transmission System Projects is ₹7,093.68 crore. We intend to deploy ₹[●] crore from the Net Proceeds and balance amount from internal accruals, equity or debt or such other means as permissible under the applicable laws, to fund the cost of the Transmission System Projects. Accordingly, our Company will invest such amounts, aggregating to ₹[●] crore, from the Net Proceeds into certain of our Subsidiaries, namely, HTL, Khavda II-A, KPS1, WPTL and AEMIL, in accordance with the estimated project cost stated above for each Transmission System Projects. Such investments may be in the form of debt or equity or in any other manner as may be mutually decided and will depend on various factors at the time of making the investment, including business considerations, general economic conditions and market factors, compliance with applicable regulations and tax laws with respect to mode of investment and nature of instrument (convertible or non-convertible), efficient structure evaluation based on impact on working capital and cash flows of our Company owing to the investment (including interest, tax outflows etc.) and timeline basis profitability and cash flows of the subsidiary being invested in, relevant approvals to be obtained from our Board, the Audit Committee and our Shareholders for making the investments. The actual mode of investment has not been finalised as on the date of this Preliminary Placement Document and will be finalized at the time of utilization of the funds received from the Net Proceeds. Further, our Company may also utilise the earmarked funds towards other transmission system projects.

II. Funding capital expenditure requirements of some of our Subsidiaries in relation to purchase and installation of smart meters

Our Company proposes to utilise an estimated amount of ₹[●] crore from the Net Proceeds for the purchase and installation of smart meters by some of our Subsidiaries, namely BEST Smart Metering Limited, NE Smart Metering Limited, Adani Transmission Step-Six Limited, Adani Transmission Step-Seven Limited, Adani Transmission Step-Eight Limited, among others.

We are one of the leading players in the transmission and distribution sector and leading the private sector transmission segment, owning 41.5% of the private operational transmission capacity as of Fiscal 2024. We have a track record of executing projects successfully (*Source: CRISIL*). As a result of our acquisition of AEML and MUL, we have successfully developed a 'grid-to-switch' platform with integrated electricity transmission and distribution capabilities.

Leveraging our experience and expertise as an integrated electricity transmission and distribution company, we have recently entered into the smart metering business. The smart metering business involves the installation of smart-meters and providing end-to-end smart metering services under the Design-Build-Finance-Own-Operate-and-Transfer ("**DBFOOT**") model, where all consumers points, distribution points and feeders will be smart metered to enable complete energy accounting with no manual intervention. Further, policy initiatives such as GoI's Revamped Distribution Sector Scheme and the nationwide rollout of smart meters which targeted the installation of 250 million smart meters also present a significant growth opportunity for us in the smart metering business.

As part of our strategy and reasons outlined above, we have entered into the smart metering business for purchase, installation and maintenance of smart meters in various states under the DBFOOT model.

In the quarter ended June 30, 2024 and last three Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022, our Company has bid for state tenders, where it has secured and won nine contracts worth ₹27,195 crore for installation and maintenance of 2.28 crore smart metres covering a pool of approximately 8.4 crore consumers, which includes, the two smart meter orders, won by us, from Bombay Electric Supply & Transport ("**BEST**") and Assam Power Distribution Company Limited ("**APDCL**") aggregating to 18.5 lakh smart meters in 2022 and 2023, respectively.

For further details of our business strategies and business verticals, see *"Our Business – Our Strategies*" and "*Our Business – Our Operations*" on pages 148 and 150, respectively.

Given all of the above, we intend to purchase, install and maintain smart meters for awards won under various tenders, including the tenders for smart metering projects, for which our Company, is yet to submit expression of interests and/or bids for (collectively, the "**SM Tenders**").

In this regard, while our Company has identified the SM Tenders, for which the Net Proceeds are proposed to be utilised, the actual allocation of the Net Proceeds will depend on a number of factors including commercial conditions, financial and market conditions, business and operational requirements of such Subsidiaries, costs of smart meters, business and strategy, competition, negotiation with vendors, variation in cost estimates on account of factors, including changes in design or configuration of the project, incremental pre-operative expenses and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws. Further, our Company may also utilise the earmarked funds towards other smart meter projects.

Means of finance

We intend to deploy ₹[●] crore from the Net Proceeds and balance amount from internal accruals, equity or debt or such other means as permissible under the applicable laws, to fund the cost of the SM Tenders. Accordingly, our Company will invest such amounts, aggregating to ₹[●] crore, from the Net Proceeds into BEST Smart Metering Limited, NE Smart Metering Limited, Adani Transmission Step-Six Limited, Adani Transmission Step-Seven Limited, Adani Transmission Step-Eight Limited, among others., as deemed appropriate. Such investments may be in the form of debt or equity or in any other manner as may be mutually decided and will depend on various factors at the time of making the investment, including business considerations, general economic conditions and market factors, compliance with applicable regulations and tax laws with respect to mode of investment and nature of instrument (convertible or non-convertible), efficient structure evaluation based on impact on working capital and cash flows of our Company owing to the investment (including interest, tax outflows etc.) and timeline basis profitability and cash flows of the subsidiary being invested in, relevant approvals to be obtained from our Board, the Audit Committee and our Shareholders for making the investments. The actual mode of investment has not been finalised as on the date of this Preliminary Placement Document and will be finalized at the time of utilization of the funds received from the Net Proceeds. Further, our Company may also utilise the earmarked funds towards other smart meter projects.

III. Repayment / pre-payment, in full or in part, of certain outstanding borrowings availed by our Company and/or some of our Subsidiaries

We avail fund-based and non-fund-based facilities in the ordinary course of business from various banks and financial institutions. The borrowing arrangements entered into by us include, *inter alia*, term loans and working capital facilities and non-convertible debentures. As of June 30, 2024, we had total outstanding borrowings of ₹39,610.47 crore, on a consolidated basis. We propose to utilise a portion of the Net Proceeds aggregating to ₹[●] crore for repayment or prepayment, in full or in part, of certain outstanding borrowings availed by our Company and/or some of our Subsidiaries, namely, Adani Transmission Step Three Limited, Halvad Transmission Limited, North Karanpura Transco Limited and Sunrays Infra Space Limited. The selection and extent of borrowings proposed to be repaid by our Company and/or some of our Subsidiaries as mentioned below is based on various commercial considerations including, among others, the interest rate of the relevant borrowings, the amount of the borrowings outstanding, prepayment charges, and the remaining tenor of the borrowings.

Our Company and some of our Subsidiaries, namely, Adani Transmission Step Three Limited, Halvad Transmission Limited, North Karanpura Transco Limited and Sunrays Infra Space Limited have obtained necessary consents, wherever required, from the lenders as per the requirements under the borrowing arrangements. Further, pursuant to the terms of the borrowing arrangements, prepayment of certain indebtedness may attract prepayment charges as prescribed by the respective lender. Such prepayment charges, as applicable, will also be funded out of the Net Proceeds. The repayment/ prepayment, will help reduce our outstanding indebtedness, assist us in maintaining a favourable debt - equity ratio. In addition, we believe that since our debt - equity ratio will improve, it will enable us to raise further resources at competitive rates and additional funds/ capital in the future to fund potential business development opportunities and plans to grow and expand our business in the future. The details of the outstanding borrowing availed by our Company and/or some of our Subsidiaries, namely, Adani Transmission Step Three Limited, Halvad Transmission Limited, North Karanpura Transco Limited and Sunrays Infra Space Limited proposed for repayment or prepayment, in full or in part, from the Net Proceeds is set forth below:

Name of the lender	Nature of loan	Purpose of the loan	Sanctioned amount (₹ in crore)	Amount outstanding as at June 30, 2024 (₹ in crore)	Coupon rate	Tenor and Repayment schedule	Pre-payment penalty	Whether the loan has been utilized for the purpose for which it has been availed
Loans availed by our Company								
IndusInd Bank	Working capital-FDOD	Working capital	404	398.57	7.85%	NA	NA	Yes
Yes Bank	Working capital-FDOD	Working capital	575	552.58	8.05%	NA	NA	Yes
ICICI Bank	Working capital-CCOD	Working capital	100	85.01	9.93%	NA	NA	Yes
Adani Infra (India) Limited	Inter Corporate Loan	General Corporate Purpose	950	585.52	10%	NA	NA	Yes
Loans availed by Adani Transmission Step Three Limited								
Adani Rail Infra Private Limited	Inter Corporate Loan	General Corporate Purpose	935	153.94	10%	NA	NA	Yes
Adani Properties Private Limited	Inter Corporate Loan	General Corporate Purpose	960	75	10%	NA	NA	Yes
Adani Sportsline Private Limited	Inter Corporate Loan	General Corporate Purpose	960	350	10%	NA	NA	Yes
Loans availed by Halvad Transmission Limited								
Adani Rail Infra Private Limited	Inter Corporate Loan	General Corporate Purpose	200	50.02	9.50%	NA	NA	Yes
Loans availed by North Karanpura Transco Limited								
Adani Rail Infra Private Limited	Inter Corporate Loan	General Corporate Purpose	400	81.83	10%	NA	NA	Yes
Adani Properties Private Limited	Inter Corporate Loan	General Corporate Purpose	1,000	535.96	10%	NA	NA	Yes
Loans availed by Sunrays Infra Space Limited								
Adani Properties Private Limited	Inter Corporate Loan	General Corporate Purpose	1,000	15.76	11.05%	NA	NA	Yes

As certified by Dharmesh Parikh & Co LLP, Chartered Accountants, vide their certificate dated July 30, 2024, the loan has been utilised for the purpose for which it has been availed by our Company and Adani Transmission Step-one Limited.

Given the nature of the borrowings and the terms of repayment, the aggregate outstanding amounts under the borrowings may vary from time to time and our Company and/ or Subsidiaries may, in accordance with the relevant repayment schedule, repay or refinance some of its existing borrowings prior to Allotment. Further, the amounts outstanding under the borrowings as well as the sanctioned limits are dependent on several factors and may vary with the business cycle of our Company with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits.

To the extent that Net Proceeds are utilised to repay any of the loans availed by some of our Subsidiaries, namely, Adani Transmission Step Three Limited, Halvad Transmission Limited, North Karanpura Transco Limited and Sunrays Infra Space Limited, our Company shall deploy the Net Proceeds through a suitable mode of investment (either through debt or equity) in some of our Subsidiaries, namely, Adani Transmission Step Three Limited, Halvad Transmission Limited, North Karanpura Transco Limited and Sunrays Infra Space Limited to be decided at the sole discretion of our Board. The actual mode of investment has not been finalised as on the date of this Preliminary Placement Document and will be finalized at the time of utilization of the funds received from the Net Proceeds.

IV. General corporate purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹[●] crore towards general corporate purposes, subject to such amount not exceeding 25% of the Gross Proceeds. The general corporate purposes for which our Company proposes to utilise the Net Proceeds include strategic initiatives, working capital requirements, business development activities, funding growth opportunities, including acquisitions and meeting exigencies, meeting expenses incurred by our Company, as may be applicable and approved by our Board, from time to time.

In addition to the above, our Company may utilise the Net Proceeds towards other expenditure considered expedient and as approved periodically by our Board or a duly appointed committee thereof, subject to compliance with applicable law, including necessary provisions of the Companies Act, 2013.

The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

Our Company's management shall have flexibility in utilising surplus amounts, if any, as may be approved by our Board or a duly appointed committee from time to time. In case of variation in the actual utilization of funds designated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, which are not applied to the other purposes set out above.

Interim use of Net Proceeds

Pending utilisation of the Net Proceeds our Company shall invest such proceeds in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934 or to temporarily invest the funds in creditworthy instruments, including money market / mutual funds, as approved by the Board and/or a duly authorized committee of the Board, from time to time, and in accordance with applicable laws. Provided that, in accordance with applicable laws, we undertake to not utilize the proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges.

Monitoring of utilisation of funds

Our Company has appointed CARE Ratings Limited, a credit rating agency registered with the SEBI, as the monitoring agency in accordance with Regulation 173A of the SEBI ICDR Regulations for monitoring the utilisation of Net Proceeds as the size of our Issue exceeds ₹100 crore. The report of the Monitoring Agency shall be placed before the Audit Committee on a quarterly basis, promptly upon its receipt, until such time as the Net Proceeds have been utilized in full or the Objects for which the Net Proceeds were raised have been achieved. Such report, along with the comments (if any) of the Monitoring Agency shall be submitted to the Stock Exchanges within 45 days from the end of each quarter and uploaded on the website of our Company, or such other time as may be prescribed under the SEBI Listing Regulations.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall (i) prepare a statement of funds utilised for purposes other than those stated in this Preliminary Placement Document and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised; and (ii) disclose every year, the utilization of the Net Proceeds during that year in its annual report. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects as stated above or the Objects for which the Net Proceeds were raised have been achieved. This information will also be published on our website and our Company shall furnish an explanation for the deviations and category-wise variations in its annual report.

Other confirmations

As permissible under applicable laws, our Company's management will have flexibility in deploying the Net Proceeds.

Neither our Promoters nor our Directors are making any contribution either as a part of the Issue or separately in furtherance of the use of the Net Proceeds. Further, neither our Promoters nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, Key Managerial Personnel or Senior Management are not eligible to subscribe in the Issue.

There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoter, Promoter Group, Directors, Key Managerial Personnel and/or Senior Management.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation statement as at June 30, 2024 on a consolidated basis derived from the Consolidated Unaudited Quarterly Financial Results and as adjusted for the Issue. This table should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Financial Information*" and *"Risk Factors"* on pages 98, 242 and 40, respectively:

(in ₹ crore)

Particulars	As of June 30, 2024	As adjusted for the Issue(1)
Long Term Borrowings	37,480.69	
Short term Borrowings	2,129.78	
Interest Accrued but not due	413.75	[●]
Total (A)	**40,024.22**	**[●]**
Shareholders Funds:		
Equity Share Capital	1,115.49	[●]
Other Equity	10,767.27	[●]
Non-Controlling Interests	702.28	[●]
Total (B)	**12,585.04**	[●]
Total Capitalisation (A+B)	**52,609.26**	**[●]**

Note:

(1) The corresponding post-Issue capitalisation data for each of the amounts given in the above table is not determinable at this stage and hence the same has not been provided in the above statement.

CAPITAL STRUCTURE

The Equity Share capital of our Company as on the date of this Preliminary Placement Document is set forth below:

(In ₹, except share data)

	Particulars	Aggregate value at face value (except for securities premium account)
A	**AUTHORIZED SHARE CAPITAL**	
	1,50,00,00,000 Equity Shares (of face value of ₹10 each)	15,00,00,00,000
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**	
	1,11,54,92,683 Equity Shares (of face value of ₹10 each)	11,15,49,26,830
C	**PRESENT OFFER IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT**	
	Up to [●] Equity Shares aggregating up to ₹ [●] crore(1)(2)	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**	
	[●] Equity Shares (of face value of ₹10 each)	[●]
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue (3)	38,34,31,93,620
	After the Issue(4)	[●]

(1) *The Issue has been authorised by our Board pursuant to the resolution dated pursuant to a resolution dated May 27, 2024 and by our Shareholders on June 25, 2024.*
(2) *To be determined upon finalisation of the Issue Price.*
(3) *As on the date of this Preliminary Placement Document.*
(4) *The securities premium account after the Issue is calculated on the basis of Gross Proceeds from the Issue. Adjustments do not include Issue related expenses.*

Equity Share Capital History of our Company

The history of the Equity Share capital of our Company since the date of incorporation is set forth below:

Date of allotment	Nature of allotment	No. of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Cumulative number of Equity Shares
December 9, 2013	Subscription to the MOA	50,000	10	10	Cash	50,000
February 3, 2015	Rights issue in the ratio of 21,799 Equity Shares per every 1 Equity Share	1,08,99,50,000	10	10	Cash	1,09,00,00,000
Pursuant to the composite scheme of arrangement sanctioned by the High Court of Gujarat on May 7, 2015, 1,09,00,00,000 Equity Shares of our Company were extinguished and cancelled*						
June 8, 2015	Composite scheme of arrangement*	10,99,810,083	10	NA	NA	1,09,98,10,083
May 12, 2022	Preferential issue	1,56,82,600	10	2,454.95	Cash	1,11,54,92,683

The composite scheme of arrangement sanctioned by the High Court of Gujarat on May 7, 2015 with effect from April 1, 2015, inter alia, provided for demerger of the transmission undertaking of Adani Enterprises Limited ("AEL**") comprising the undertaking, business, activities, operations, assets and liabilities pertaining to the Mundra-Zerda transmission line and shareholders of AEL were allotted Equity Shares in the ratio of 1:1 i.e. one equity share of the Company for every one Equity Share of AEL. Accordingly, existing holding of 1,09,00,00,000 Equity Shares of AEL in the Company were extinguished and cancelled and 1,09,98,10,083 Equity Shares were issued and allotted to eligible shareholders of AEL on June 8, 2015.*

No change in control in our Company will occur consequent to the Issue.

Our Company has not made any allotment of Equity Shares, including for consideration other than cash, in the one year immediately preceding the date of filing of this Preliminary Placement Document.

There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Preliminary Placement Document.

Proposed Allottees in the Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Managers, to Eligible QIBs only, on a discretionary basis. For details of the names of the proposed Allottees and the percentage of the post Issue Equity Share capital that may be held by them, please, see "*Details of Proposed Allottees*" on page 443.

Pre-Issue and post-Issue shareholding pattern

The pre-Issue and post-Issue shareholding pattern of our Company is set forth below:

S. No.	Category	Pre-Issue#		Post-Issue**	
		No. of Equity Shares held	% of shareholding	No. of Equity Shares held	% of shareholding
A.	**Promoters' holding^**				
1.	*Indian*				
	Individuals	2	0	[●]	[●]
	Bodies corporate	97,617,325	8.75	[●]	[●]
	Others (Promoter trusts)	601,634,660	53.93	[●]	[●]
	Sub-total	699,251,987	62.69	**[●]**	**[●]**
2.	*Foreign promoters*	136,721,000	12.26	[●]	[●]
	Sub-total (A)	835,972,987	74.94	**[●]**	**[●]**
B.	**Non-Promoters' holding**				
1.	Institutional investors	217,938,633	19.54	[●]	[●]
2.	Non-institutional investors	1,683,437	0.15		
	Private Corporate Bodies	368,030	0.03	[●]	[●]
	Directors and relatives	106,785	0.01	[●]	[●]
	Indian public	25,335,642	2.27	[●]	[●]
	Others including non-resident Indians (NRIs)	34,087,169	3.06	[●]	[●]
	Sub-total (B)	279,519,696	25.06	**[●]**	**[●]**
	Grand Total (A+B)	1,115,492,683	100	**[●]**	**100.00**

This shareholding data is based on the beneficiary position data of our Company as of July 26, 2024.

^ *This includes shareholding of the members of the Promoter Group.*

** *The post-Issue shareholding pattern shall be filled-in before filing of the Placement Document with the Stock Exchanges.*

DIVIDENDS

Our Company adopted a dividend distribution policy in accordance with Regulation 43A of the SEBI Listing Regulations on October 24, 2016 ("**Dividend Policy**"). The Dividend Policy is designed to lay down on guidelines on dividend distribution with the objectives of rewarding our Shareholders by sharing a portion of the profits, whilst also ensuring that sufficient funds are retained for the future growth of our Company. Towards this end, the Dividend Policy lays down parameters to be considered by our Board of Directors for declaration of dividend from time to time.

In terms of the Dividend Policy, the form, frequency and amount of dividend, if any, will depend on a number of internal factors and external factors, which, *inter alia*, include, (i) profits earned during the year; (ii) capital expenditure requirements; (iii) past performance / dividend history of our Company; (iv) resources required to fund acquisitions and / or new businesses; (v) cash flow required to meet operations and contingencies; (vi) cost of borrowings and outstanding borrowings; (vii) return on capital invested and post dividend earnings per share; (viii) additional investments in Subsidiaries or associates of our Company; (ix) state of the economy; (x) statutory restrictions; and (xi) any other factor as deemed fit by our Board.

Further, the Dividend Policy also enumerates certain circumstances under which our Shareholders may or may not expect dividend, which include *inter alia* (i) our Company undertaking or proposing to undertake a significant expansion project requiring higher capital allocation; (ii) significant higher working capital requirements adversely impacting free cash flow; (iii) our Company undertaking acquisitions or restructurings or joint ventures requiring significant allocation or reduction of capital; (iv) our Company proposing to utilize surplus cash for buy-back of securities; and (v) in the event of inadequacy of profits or whenever our Company has incurred losses.

The declaration and payment of dividend by our Company is governed by the applicable provisions of the Companies Act, 2013, SEBI Listing Regulations and the Articles of Association of our Company.

Our Company has not declared any dividend during the during the quarter ended June 30, 2024, and during Fiscals 2024, 2023 and 2022 and from July 1, 2024 till the date of this Preliminary Placement Document.

The Equity Shares to be issued in connection with this Issue shall qualify for all dividends, including interim dividend, if any, that is declared in respect of the fiscal in which they have been allotted.

Also see "*Taxation*" and "*Risk Factors*" on pages 222 and 40, respectively.

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. For details see "*Risk Factors - Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares or dividend paid thereon.*" on page 78.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey our management's perspective on our financial condition and results of operations as of and for Fiscals 2024, 2023 and 2022, as measured in accordance with Ind-AS, as specified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The following discussion of our financial condition and results of operations should be read in conjunction with our consolidated financial statements included elsewhere in this Preliminary Placement Document. See "Financial Information" on page 242.

This section contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in such forward-looking statements as a result of various factors, including those described under "Forward-Looking Statements" and "Risk Factors".

Ind AS differs in certain respects from, IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Please also see "Risk Factors—Risks Relating to Our Business—Differences exist between Ind AS and other accounting principles, such as IFRS and U.S. GAAP, which may be material to investors' assessments of our financial condition, result of operations and cash flows." on page 67. This discussion contains certain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as the risks set forth in the chapters entitled "Risk Factors" and "Forward-Looking Statements" beginning on pages 40 and 16, respectively.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Industry report on power transmission and distribution, and smart metering" issued in May 2024 ("**CRISIL Report**") prepared and issued by CRISIL, appointed by us and exclusively commissioned and paid for by us in connection with the Issue. CRISIL has used various primary and secondary sources including government sources as well as international agencies to prepare the report. The data included herein includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

Unless otherwise stated, all financial numbers are presented in crore. 1 crore is equal to 10 million. References to "we", "us" or "our" in this section refers to our Company and our subsidiaries.

OVERVIEW

We are part of the Adani portfolio, which is among India's top business houses[5]. We are one of the leading players in the transmission and distribution sector and leading the private sector transmission segment, owning 41.5% of the private operational transmission capacity as of Fiscal 2024[6] Our subsidiary, Adani Electricity Mumbai Ltd. ("**AEML**"), is the largest distribution licensee in Mumbai with a consumer base of 3.18 million as of Fiscal 2024.[7] We have recently entered into the smart metering business in Fiscal 2023 and as of March 31, 2024, we have entered into nine contracts totaling 22.8 million smart meters, representing approximately 20% of India's smart metering market share, according to CRISIL. We are contributing to India's energy transition goals with our portfolio of assets in transmission that will aide evacuation of renewable power (Green Energy Corridor), coupled with high renewable power penetration in distribution business and recent foray into smart metering business.

We operate three main businesses: (a) transmission, (b) distribution and (c) smart metering.

As of June 30, 2024, we have 21,187 circuit kilometers ("**ckms**") of transmission lines across 14 states in India, of which 18,115 ckms of were fully operational and another 3,072 ckms of transmission lines are under construction, 57,186 megavolt-ampere ("**MVA**") of power transformation capacity under our transmission business. Our distribution business served over 3.20 million households (representing approximately 13 million distribution customers) of AEML and 100 industrial customers of MPSEZ Utilities Limited ("**MUL**"), as of June 30, 2024. We are also ramping up our smart metering business and have entered into nine contracts totaling 22.8 million smart meters, as of June 30, 2024.

Through our power transmission business, we build, commission, operate and maintain electricity inter-state transmission systems ("**ISTS**") and intra-state transmission systems ("**InSTS**"). As of June 30, 2024, we owned 27, fully operational transmission systems, across the states of Gujarat, Maharashtra, Rajasthan, Uttar Pradesh, Bihar, Madhya Pradesh, Andhra Pradesh, Chhattisgarh, Tamil Nadu, Telangana, West Bengal and Haryana in India which in aggregate have a network of power transmission lines of approximately 17,300 ckms and 33 substations having 31,655 MVA of transformation capacity. We are developing nine transmission systems across the states of Gujarat, Maharashtra, Rajasthan, Karnataka, Madhya Pradesh, Jharkhand and Bihar in India. These transmission systems have a total network of power transmission lines of approximately 3,072 ckms and 25 substations having 21,571 MVA of transformation capacity.

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[5] Source: CRISIL
[6] Source: CRISIL
[7] Source: CRISIL

The transmission systems were awarded to us under the "tariff based competitive bidding" mechanism ("**TBCB**") on a "build-own-operate-maintain" ("**BOOM**") or build-own-operate-transfer" ("**BOOT**") basis. Our ISTS transmission systems earn revenue under long-term transmission services agreements ("**TSAs**") and tariff orders passed by CERC, and our InSTS transmission systems earn revenue under long-term bulk power transmission agreements ("**BPTAs**") and tariff orders passed by the relevant state electricity regulatory authority. These transmission systems receive availability-based tariffs under the TSAs or BPTAs, as applicable, irrespective of the quantum of power transmitted through the line. The tariff for transmission systems in India is contracted for the period of the TSA or BPTA which is up to 25 years, and may be renewed or extended for another 10 years in accordance with the TSA or BPTA. Tariffs under the TSAs and BPTAs are billed and collected pursuant to the "point of connection" ("**PoC**") mechanism, a regulatory payment pooling system. Under the PoC mechanism, payments are made to a central/state payment pool and the proceeds are distributed proportionately to all transmission services providers, including us. The availability-based tariffs and PoC payment mechanism enable a stable and certain cash flow stream. For further details, see "*Industry Overview*" on page 119.

We have maintained an annual average availability for our operational transmission systems in excess of 99.5% since commissioning for which we have earned maximum incentive revenues under the respective TSAs and BPTAs. Maintaining availability of the transmission systems in excess of 95% for HVDC systems and 98% for AC systems gives us the right to claim incentives on a pro-rata basis, under the TSAs and BPTAs, ensuring an adequate upside to maximize availability.

We operate our electricity distribution business through our Subsidiaries AEML, AEML SEEPZ Limited ("**ASL**") (a wholly owned subsidiary of AEML) and MUL. As of June 30, 2024, our distribution systems included AEML's 573 ckms of 220 kV transmission lines, an embedded 500 MW power plant and eight substations having 3,250 MVA transformation capacity and MUL's 242 ckms of 220, 66, 33,11 and 0.415 kV transmission lines and seven substations having 710 MVA transformation capacity. As of June 30, 2024, we served over 3.20 million households (representing approximately 13 million distribution customers) and 100 industrial customers of MUL with an annual energy requirement of approximately 12,285 million units ("**MUs**") (11,624 MUs through AEML and 661 MUs through MUL).

Leveraging our distribution and transmission platforms and expertise, we have recently entered into the smart metering business in Fiscal 2023 which involves the installation of smart-meters and providing end-to-end smart metering services under the Design-Build-Finance-Own-Operate-and-Transfer ("**DBFOOT**") model. As of March 31, 2024, we have entered into nine contracts totaling 22.8 million smart meters, representing approximately 20% of India's smart metering market share, according to CRISIL.

We have been given a credit rating of BBB-/Baa3 Stable by Fitch and Moody's, respectively, in Fiscal 2024. In Fiscals 2024, 2023 and 2022, we generated total income of ₹17,218.31 crore, ₹13,840.46 crore and ₹11,861.47 crore, respectively, EBITDA of ₹6,322.15 crore, ₹6,100.93 crore and ₹5,492.59 crore, respectively and net profit after tax of ₹1,195.61 crore, ₹1,280.60 crore and ₹1,235.75 crore, respectively.

Significant Factors Affecting Results of Operations

Tariff Structure

<u>Transmission Assets</u>

Our main source of revenue from our transmission business is tariffs from the sale of power and transmission charges. In Fiscals 2024, 2023 and 2022, revenue from our transmission business was ₹5,114.14 crore, ₹3,945.16 crore and ₹3,469.33 crore, which accounted for 30.79%, 29.68% and 30.82% of our total revenue from operations, respectively. We earn transmission tariffs under two mechanisms – (1) TBCB, and (2) "cost-plus" basis. In addition, we are eligible to receive incentive payments based on availability of our transmission assets. We have briefly described each mechanism below:

- *TBCB mechanism:* Technically qualified developers bid for an inter-state or intra-state power transmission assets on a BOOM or BOOT basis, which is awarded to the developer whose levelized tariff is the lowest after a e-reverse auction process. The electricity transmission tariff is collected and paid to us in the form of transmission charges by Long Term Transmission Customers ("**LTTCs**"). The tariff is comprised of a fixed 'non-escalable' charge, a variable 'escalable charge', incentives for actual availability beyond the target availability and surcharge (for late payment).

    1. *Non-escalable charges*: are fixed charges, detailed in the TSA or BPTA and applicable tariff orders, and is paid to us as part of the transmission charges. These charges are billed on monthly basis to the central transmission utility ("**CTU**"), state transmission utility ("**STU**") or LTTC.

    2. *Escalable charges*: are variable charges which are only fixed in the TSA or BPTA, and the relevant tariff order for first year of scheduled operations and vary in subsequent years according to the escalation index, which may be determined semi-annually or annually from a formula linked to the inflation rate in India. Any change in the inflation rate in India will directly impact the escalable charges paid to us and our revenue from operations.

    3. *Incentive*: Incentive is paid to us based on the actual availability achieved over and above normative/ target availability.

4. *Surcharges*: are paid to transmission licensees such as us for any failure or delay on the part of customers to make payments to the central transmission utility ("**CTU**") or state transmission utility ("**STU**"), which affects the capability of the CTU or STU to make corresponding payments to us.

5. For availability-based incentives, see " – *Availability based incentives*" below.

   In Fiscals 2024, 2023 and 2022, we earned a revenue of ₹2,940.97 crore, ₹1,718.89 crore and ₹1,354.19 crore from transmission assets under the TBCB mechanism, respectively.

- *"Cost-plus" basis:* The tariff applicable to a transmission asset under the "cost-plus" basis is designed to compensate the licensee for the costs of construction of the transmission asset, for the operation of the system thereafter, as well as provide a pre-determined rate of return on the licensee's investment in the transmission asset (capital cost). In addition, we are eligible to receive incentive payments based on availability of our transmission assets. This "cost-plus basis" tariff is determined on a number of components, such as operation and maintenance expenses, depreciation, interest on long-term loan, interest on working capital, return on equity, contribution to contingency reserves and non-tariff income that are aggregated into an annual transmission charge ("**ATC**") which is paid to us by the appropriate regulatory commission. We submit tariff petitions for approval to electricity regulators once the construction of a transmission asset is completed, and subsequently if our costs of operations increase. The regulator first issues a provisional order and then issues a final tariff order approving a final tariff after the regulator has reviewed our proposal, documents and financial statements, which may be different than the provisional tariff. We are allowed to recover the revenue gap caused by increase in unforeseeable costs by adding it to future tariffs. Once the period for which the tariffs were determined is completed, the regulator carries out truing up these years and determines the revenue gap or revenue surplus based on the ATC allowed at the time of truing up and actual revenue billed. For surplus tariffs, the applicable amount is deducted/ increased from future tariffs. Any change to the tariffs applicable to our transmission assets directly impact our revenue. See "*Risk Factors–Risks Relating to Our Business–Any changes to current tariff policies or modifications of tariffs standards by regulatory authorities could have a material adverse effect on our business, prospects, financial condition and results of operations*." on page 42.

  In Fiscal 2024, 2023 and 2022, we earned a revenue of ₹1,694.41 crore, ₹2,226.27 crore and ₹2,135.37 crore from transmission assets under the cost-plus basis mechanism, respectively. We had higher revenue from transmission assets under the cost-plus mechanism in Fiscal 2023 and 2022 as a result of the one-time impact of tariff true-ups and APTEL's judgement.

- *Availability based incentives:* We operate our transmission assets under an availability-based tariff regime, which incentivizes transmission asset operators like us to provide the highest possible system reliability. System reliability is measured as "availability", which is defined as the time in hours during a given period for which the transmission asset is capable of transmitting electricity at its rated voltage, expressed as a percentage of total hours in the period. Central and state tariff regulations provide specific guidance on the calculation of availability and take into account the elements in the transmission asset (including transmission lines, transformers and substations), as well as the reason for any outages, with *force majeure* outages being excluded from the calculation. Availability rates are calculated by the regional loan dispatch center ("**RLDC**") and certified to us. We are required to maintain system availability of over 95% for high voltage direct current ("**HVDC**") systems and over 98% for alternating current ("**AC**") systems in order to receive 100% of the ATC to which we are entitled. If the availability rate of our transmission assets falls below the relevant threshold, the tariff for the period is pro-rated accordingly. Incentive payments are paid on a quarterly, half-yearly or annual basis based on each regulator's requirements. Incentive payments payable to us increases with a corresponding increase in the availability rate of our transmission assets. In Fiscals 2024, 2023 and 2022, our transmission assets have maintained an annual average system availability above 99.5% and have received incentive payments. Our availability is affected by our ability to maintain our power transmission assets and restore them in the event they are rendered inoperable. Our ability to maintain target availability under the TSA and BPTA directly impacts our revenues.

Distribution Assets

Our main source of revenue from our distribution business is tariffs from the distribution of electricity. In Fiscals 2024, 2023 and 2022, revenue from our distribution business was ₹10,172.77 crore, ₹8,591.91 crore and ₹6,966.28 crore and accounted 61.25%, 64.64% and 61.88% of our total revenue from operations, respectively. For our distribution business, we are paid a tariff by consumers based on rate of return and normative costs determined by the regulator. Under the Electricity Act and the applicable tariff regulations, a transmission and distribution licensee such as us is required to seek a tariff determination from the regulator for our distribution assets. The tariff applicable to a transmission asset is designed to compensate the licensee for the costs of construction of the transmission asset and for the operation of the distribution asset thereafter, as well as provide a pre-determined rate of return on the licensee's investment in the transmission asset. This tariff is determined based on a number of components that are aggregated into the aggregate revenue requirement ("**ARR**"), which is collected from consumers.

Through AEML, ASL and MUL, we submit tariff petitions for approval to electricity regulators once every two-three years. The regulator approves the tariff based on the projected sales and ARR. The regulator also allows for the recovery of revenue gaps, if any. Once the period for which the tariffs were determined is completed, the regulator carries out truing up these years and determines the revenue gap or revenue surplus based on the ARR allowed at the time of truing up and actual revenue billed. We are allowed to recover the revenue gap by adding it to future tariffs. For surplus tariffs, the applicable amount is deducted from future tariffs. The regulator grants a provisional order, which forms the basis for the tariff for the year. The regulator then issues a final tariff order approving the final tariff, which may be different from the provisional tariff. Any change to the tariffs applicable to our distribution assets will directly impact our revenue.

Smart Metering

We have recently ventured into the business of installing, operating and maintaining smart meters used to provide public service on a "Design-Build-finance-Own-Operate-Transfer" ("**DBFOOT**") basis. These smart meters will be transferred to relevant authority at the end of the terms of the contract. Smart meters and their related communication and cloud infrastructure will be installed over a period of approximately 27-30 months and maintained for approximately the following 90 months.

In Fiscals 2024, revenue from our smart metering business was ₹290.86 crore.

Operating Costs

Our operating costs primarily include (i) cost of power purchased for our distribution business, (ii) fuel costs for generation of power at our power plant, (iii) employee benefits expense and (iv) other expenses which majorly includes transmission charges, repairs and maintenance costs, stores and spares consumption and construction expenses related to service concession arrangement (for transmission and smart metering business) (v) purchase of stock-in-trade.

Power purchase expenses for the distribution business are recovered in tariffs based on an actual basis at approved costs. We have been implementing various short and long-term strategies, such as banking of power and increasing the mix of renewable power in order to optimize power purchase expenses and minimize the impact on consumer tariffs. At the time of determination of tariffs in advance for a year, costs are approved by the regulator based on projections made by us, which include the projections for cost of power purchase. However, once the tariff rates are determined and as the year progresses, the actual cost for power purchases for the year may differ from cost accounted for in approved tariffs. We can recover any increase in fuel costs, which is referred to as fuel adjustment charge ("**FAC**"), through revised future tariffs. FAC ensures that we are not out-of-pocket and have the ability to charge our consumers. In cases where the actual power purchase cost incurred is less than the approved costs, as per recent practice and our regulators' directions, we are required to create a FAC fund. This fund is then adjusted against the FAC recoverable from consumers in subsequent months to mitigate any sudden increases in tariffs. The FAC is billed by us to our consumers with a two-month lag. For example, the difference between the power purchase cost as per the tariff order and the actual power purchase cost incurred for the month of April will be billed to consumers in the month of June and appear as a separate item in the consumer bill.

Fuel costs for generation of power at our power plant are recovered in tariffs based on normative station heat rate and actual fuel cost per quantity. Our power plant has historically operated at an efficient station heat rate compared to the normative level prescribed under the tariff regulations from time to time. During the period from 2022 to 2024, the average gross station heat rate at the Adani Dahanu Thermal Power Station ("**ADTPS**") was 2,262 kCal/kWh, while the current applicable tariff regulations specify a normative station heat rate not exceeding 2,430 kCal/kWh.

Employee benefits expenses include salary, wages and other benefit expense of our employees.

Our transmission charges relate to payments under operation and maintenance contracts with third parties for the maintenance of the transmission lines and substations. It also consists of repair and maintenance (replacement of construction materials) if any done on the lines and substation. We continue to deploy latest technologies to enhance our O&M operations and to bring time and cost efficiencies.

Financing Requirements

We operate in a capital-intensive industry. As a result, our ability to access cost-effective financing is crucial to our business. As of March 31, 2024, our total borrowings (non current borrowing and current borrowing) were ₹37,008.87 crore. Our debt financing framework includes debt instruments from multiple Indian and international lenders providing both new financing and refinancing instruments. We have benefitted previously from equity investments from investors including mutual funds, venture capital funds, insurance companies and foreign portfolio investors. Our ability to access diversified pools of capital has enabled it to raise finance and refinance projects regularly and on competitive terms to maximize its capital efficiency. We have, a well-balanced mix of equity, corporate debt and project financing, as well as a relatively low interest rate environment (for example, the interest rates of our outstanding bonds as of March 31, 2024 range from 3.867% - 5.20%), which have contributed to the rapid growth of its business. While we expect to fund the construction and development of our projects with a combination of cash flows from operations, debt financings and equity financings, our ability to arrange for such financing remains subject to various factors, including those affecting the macro-economic environment. Further, our ability to meet payment obligations under outstanding debt depends on our ability to generate significant cash flows in the future, which, to some extent, is subject to general economic, financial, competitive, legislative and regulatory factors that are beyond our control. We maintain a careful balance between our exposure to fixed and floating interest rate instruments. Our finance costs in Fiscals 2024, 2023 and 2022 were ₹2,766.51 crore, ₹2,781.47 crore and ₹2,364.95 crore, respectively. Rising interest rates could adversely affect our ability to secure financing on favourable terms and our cost of borrowings could, consequently, increase. We intend regularly refinance our existing indebtedness to extend repayment tenors, enhance borrowing limits and reduce its overall debt service requirements.

Critical Accounting Policies

Certain of our accounting policies require application of judgment by our management in selecting appropriate assumptions for calculating financial estimates, which inherently contain some degree of uncertainty. Our management bases its estimates on historical experience and various other assumptions that they believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the reported carrying values of assets and liabilities and the reported amounts of revenues and expenses that may not be readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe the following are the most relevant critical accounting policies, related judgments and estimates used in the preparation of our consolidated financial statements:

Current / Non-Current Classification

Based on the time involved between acquisition of assets for processing and their realisation in cash and cash equivalents, we have identified twelve months as our operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

Property, plant and equipment

All items of property, plant and equipment, including freehold land, are initially recorded at cost. Subsequent to initial recognition, property, plant and equipment other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses. Freehold land has an unlimited useful life and therefore is not depreciated.

Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any. Other indirect expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

Depreciation

Depreciation commences when an asset is ready for its intended use. Depreciation is recognised based on the cost of assets (other than land) less their residual values over their useful lives.

(i) Regulated Assets

Depreciation on Property, plant and equipment in respect of our electricity business covered under Part B of Schedule II of the Companies Act, 2013, has been provided on the straight line method at the rates specified in tariff regulations notified by the respective Electricity Regulatory Commission.

(ii) Non-Regulated Assets

Depreciation is recognised on the cost of assets (other than freehold land and properties under construction) less their residual values over their estimated useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. We, based on technical assessment made by technical expert and management estimate, depreciate certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. Our management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Estimated useful life of Regulated and Non Regulated assets are as below:

Type of Assets	Useful lives
Building	3-60 Years
Plant and Equipment (Except Meters & Batteries)	10-35 Years
Plant and Equipment - Meters	10 Years
Plant and Equipment - Batteries	10 Years
Furniture and Fixtures	3-15 Years

Type of Assets	Useful lives
Street Light	25 Years
Office Equipment	3-15 Years
Computer Equipment	3-6 Years
Vehicles	8-15 Years
Distribution Line / Transmission Cable	35 Years
Plant and Equipment, Building at DTPS	15 Years

Derecognition

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.

Service line contribution received from consumers towards unconnected lines are recognised under other current financial liabilities till such lines are fully commissioned. When the lines are fully commissioned and capitalised in books, such contribution received is recognised in carrying value of such lines from the block of property, plant and equipment. MUL presents the service lines contribution as deferred revenue under the head of non-current liabilities. Further, hitherto, the company presented depreciation charge on such assets as net of amortisation on such contribution being capitalised, the depreciation is presented on gross value and amortisation of such line is being presented as other operating income.

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 we expect to be entitled in exchange for those goods or services.

Power transmission services

1. Transmission service agreements

   Revenue from contracts with customers comprises of revenue from power transmission services rendered in India to LTTCs pursuant to the respective TSAs executed by us with LTTCs for periods of 35/25 years. We are required to ensure that the transmission assets meet the minimum availability criteria under the respective TSAs. Our performance obligation under the TSAs is to provide power transmission services. The performance obligation is satisfied over time as the customers receive and consume the benefits provided by our performance as we perform.

2. Bulk power transmission agreements

   We, as per the prevalent tariff regulations, are required to recover our 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. Any surplus/shortfall in the recovery is accounted as revenue based on the final tariff orders by the regulatory authority.

   Accordingly, the revenue from power transmission services is recognised over time based on the transmission asset availabilities and the tariff charges approved under the respective TSA's / tariff orders and includes unbilled revenues accrued up to the end of the accounting period. The payment is generally due within 30-60 days upon receipt of monthly invoice by the customer.

3. Service concession arrangements

   We have been operating and maintaining the power transmission system including sub-station constructed to provide services for a specified period of time in accordance with the transmission agreement entered into with the grantor. Under Appendix D to lnd AS 115, this arrangement is considered as a Service Concession Arrangement and in accordance with para 16 of the Appendix D to Ind AS 115, rights to receive the consideration from the grantor for providing services has been recognised as "financial assets". Finance income from Service Concession Arrangements under finance assets model is recognised using effective interest rate method.

4. Incentive income

   Income from transmission system incentive is accounted for based on certification of availability by respective regulatory nominated body. Where certification by the regulatory nominated body is not available, incentive is accounted for on provisional basis as per estimate of availability by us and differences, if any is accounted upon receipt of certification.

5. Revenue from change in law

   Revenue from operations on account of Force Majeure / change in law events in terms of TSA with customers is accounted for by us based on the orders / reports of regulatory authorities, best management estimates, wherever needed and reasonable certainty to expect ultimate collection.

Sale of power-distribution business

Revenue from sale of power is recognised net of cash discount over time for each unit of electricity delivered at the pre-determined rate as determined by the respective SERC. Sales of power under deviation settlement mechanism is recognised at variable cost.

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.

Sale of goods

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

- We have transferred to the buyer the significant risks and rewards of ownership of the goods;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to us; and
- There is no significant judgement involved while evaluating the timing as to when customers obtain control of promised goods and services.

Construction and development of infrastructure assets

Our business operations include construction and development of infrastructure assets. Where the outcome of the project cannot be estimated reasonably, revenue from contracts for such construction and development activities is recognized on completion of relevant the activities under the contract and upon the transfer of control of the infrastructure when all significant risks and rewards of ownership in the infrastructure assets are transferred to the customer.

Financing component

We receive advance payments from customers for the setup and sale of customised substation and transmission line with a construction lead time of 6 months after signing the contract and receipt of payment. There is a significant financing component for these contracts considering the length of time between the customers' payment and the transfer of the equipment, as well as the prevailing interest rate in the market. As such, the transaction price for these contracts is discounted, using the interest rate implicit in the contract. This rate is commensurate with the rate that would be reflected in a separate financing transaction between us and the customer at contract inception.

We apply the practical expedient for short-term advances received from customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised good or service and the payment is one year or less.

Interest on overdue receivables / delayed payment charges

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

Distribution Business: Consumers are billed on a monthly basis and are given average credit period of 15 to 30 days for payment. No delayed payment charges ("**DPC**") / interest on arrears ("**IOA**") is charged for the initial 15 to 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 regulators or authorities.

Other 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.

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. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. 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.

Substantial time is defined as time required for commissioning of the assets considering industry benchmarks.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement:

We use derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. 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 other comprehensive income ("**OCI**") and later reclassified to the statement of profit and loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

At the inception of a hedge relationship, we formally designate and document the hedge relationship to which we wish to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes our 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

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.

Principal Components of Our Profit and Loss Statement

Income

Our income ***comprise*** revenue from our operations and other income. We have four reportable segments: (i) transmission, (ii) generation, transmission and distribution ("**GTD**"), that we refer to as our distribution business, (iii) smart metering and (iv) trading. In Fiscals 2022 and 2023, we had three reportable segments (i) Transmission, (ii) GTD and (iii) trading.

We primarily earn revenue from transmission tariffs and distribution tariffs that we collect from CTUs and STUs under long-term TSAs and BPTAs for our transmission business, and from retail and commercial consumers for our distribution business. We also earn revenue from our smart metering business, which is accounted for under service concession arrangements, that we collect on monthly basis for the meters installed and operationalized through a direct debit facility ("**DDF**") where an account is opened pursuant to a quadric-partite agreement between us, distribution company, agent bank and payment gateway. Customers directly deposit payments to their DDF account and provide an irrevocable standing instruction to the agent bank to directly pay to us from such DDF account. Revenue from smart metering business is typically earned once a milestone, based on the number of smart meters installed and operationalized, is completed. Such milestones are generally 5% of the contracted for meters or 25,000 meters, whichever is less.

We also earn revenue from the sale of traded goods from trading of gold, silver and other metals (bullions), which we report as revenue from our trading segment.

Our other income primarily comprises interest income from investment activities, including bank deposits, interest income from related parties and delayed payment surcharge.

Expenses

Our expenses primarily include cost of power purchased, cost of fuel, purchases of stock-in trade, employee benefits expense, finance costs, depreciation and amortization expense, and other expenses.

Costs of power purchased refers to costs incurred for purchasing power generated at the power plant that we then distribute to customers. We also incur costs for purchasing fuel such as domestic and imported coal for our power plant. Our finance costs primarily include interest on bonds, loans and debentures that we regularly avail for our operations, and hedging costs. Additionally, we report depreciation and amortization expenses on our transmission and distribution assets. Our other expenses primarily include transmission charges, repair and maintenance costs, legal and professional fees and construction expenditure relating to service concession agreement (for transmission and smart metering projects on "BOOT" basis).

Tax

Our tax expenses primarily include deferred tax and current taxes.

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.

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

During the year, the group has recognised the deferred tax expense/credit with respect to the effective portion of gain/(losses) on a cash flow hedge classified in other comprehensive income in accordance with Ind AS 12, income taxes. Pursuant to the impact of aforesaid changes, the group has restated the numbers for the comparative periods, which has resulted increase in credit on other comprehensive income by ₹22.91 crore for the year ended March, 31, 2023, with corresponding impact on total comprehensive income for the year. Further, Other equity and non-controlling interest has been increased by ₹86.73 crore and ₹29.05 crore respectively and deferred tax liabilities has been decreased by ₹115.78 crore as at March 31, 2023.

Results of Operations

The following table sets out data, for the periods indicated, from our consolidated statement of profit and loss:

	Fiscal		
	2024	**2023**	**2022**
		(in ₹ crore)	
Revenue			
Revenue from operations	16,607.36	13,292.72	11,257.52
Other income	610.95	547.74	603.95
Total Income	**17,218.31**	**13,840.46**	**11,861.47**
Expenses			
Cost of power purchased	4,340.30	3,839.98	2,778.88
Cost of fuel	1,119.09	1,384.18	1,065.99
Purchases of stock-in-trade	1,028.95	755.13	821.23
Employee benefit expense	951.70	986.65	885.07
Finance costs	2,766.51	2,781.47	2,364.95
Depreciation and amortisation expense	1,776.08	1,607.74	1,427.15
Other expenses	2,996.11	1,809.17	1,500.18
Total Expenses	**1,4978.74**	**13,164.32**	**10,843.45**
Profit Before Rate Regulated Activities, Tax and Deferred Assets recoverable/adjustable for the year	2,239.57	676.14	1,018.02
Net movement in Regulatory Deferral Account Balances – Income/(Expenses)	(460.01)	1,035.58	682.47
Profit before tax and deferred assets recoverable/adjustable for the year	1,779.56	1,711.72	1,700.49
Tax Expense			
Current tax	298.60	260.94	244.23
Deferred tax	281.53	174.39	191.83
Total Tax Expense	**580.13**	**435.33**	**436.06**
Profit after tax and before deferred assets recoverable/adjustable	**1,199.43**	**1,276.39**	**1,264.43**
Deferred assets recoverable/adjustable	**(3.82)**	**4.21**	**(28.68)**
Profit after tax for the year	**1,195.61**	**1,280.60**	**1,235.75**

Segments

We have four reportable segments: (i) transmission, (ii) GTD, which we refer to as our distribution business, and (iii) smart metering and (iv) trading. The following table sets forth a breakdown of our revenue from operations by our business segments for the periods indicated:

	Fiscal		
	2024	**2023**	**2022**
		(in ₹ crore)	
Revenue			
Transmission	5,114.14	3,945.16	3,469.33
GTD Business	10,172.77	8,591.91	6,966.28
Smart metering	290.86	-	-
Trading	1,029.59	755.65	821.91
Total revenue from operations	**16,607.36**	**13,292.72**	**11,257.52**

Fiscal 2024 compared to Fiscal 2023

Income

Our total income increased by 24.41% from ₹13,840.46 crore in Fiscal 2023 to ₹17,218.31 crore in Fiscal 2024 primarily due to an increase in revenue from our GTD and transmission segments.

Our revenue from our GTD segment increased by 18.40% from ₹8,591.91 crore in Fiscal 2023 to ₹10,172.77 crore in Fiscal 2024 as (i) the volume of electricity sold increased by 1,123 MUs during the year, (ii) we recovered fuel adjustment charges, and (iii) we recovered past revenue gaps, as allowed under the Maharashtra Electricity Regulatory Commission's ("**MERC**") order.

Our revenue from our transmission segment increased by 29.63% from ₹3,945.16 crore in Fiscal 2023 to ₹5114.14 crore in Fiscal 2024. This increase was primarily due to the commissioning of certain transmission assets during the year causing a corresponding increase in tariffs and the construction and development of transmission assets under the engineering, procurement and construction contracts awarded to us.

In Fiscal 2024, our revenue from our smart metering segment was ₹290.86 crore. This revenue is attributed to construction activities up to the reporting date, with corresponding contract assets being recognised. The infrastructure, specifically the Advanced Metering Infrastructure System, falls within the scope of Appendix D to Ind AS 115 and is not classified as our Property, Plant, and Equipment because we do not possess control over the asset but instead have access to the infrastructure to deliver services as outlined in the Advanced Metering Infrastructure Service Provider contract terms. Consequently, this arrangement is identified as a service concession arrangement under the guidelines of Appendix D to Ind AS 115. We did not have a revenue from smart metering segment in Fiscal 2023 as we recently entered into the smart metering business and were bidding for smart metering opportunities during the period.

Our revenue from our trading segment increased by 36.25% from ₹755.65 crore in Fiscal 2023 to ₹1,029.59 crore in Fiscal 2024. Our other income also increased by 11.54% from ₹547.74 crore in Fiscal 2023 to ₹610.95 crore in Fiscal 2024 to primarily due to gain on the partial buy back of our outstanding 3.949% US$1,000 million senior secured notes due 2030.

Expenses

Our total expenses increased by 13.78% from ₹13,164.32 crore in Fiscal 2023 to ₹14,978.74 crore in Fiscal 2024 to primarily due to an increase in our other expenses, cost of power purchased and purchases of stock in trade. The increase was partially offset by a decrease in cost of fuel.

Cost of power purchased

Our cost of power purchased increased by 13.03% from ₹3,839.98 crore in Fiscal 2023 to ₹4,340.30 crore in Fiscal 2024 to as power consumption volumes increased during the year. This increase resulted in an increase of power procurement by 1,191 MUs during the year. The average cost of power decreased by ₹0.33 per unit while short term cost of power increased by ₹0.74 per unit during the year.

Cost of fuel

Our cost of fuel decreased by 19.15% from ₹1,384.18 crore in Fiscal 2023 to ₹1,119.09 crore in Fiscal 2024 primarily due a decrease in power generation volumes at ADTPS by 347 MUs from 3,158 MUs in Fiscal 2023 to 2,811 MUs in Fiscal 2024. Our cost of fuel also decreased with a decrease in the cost of coal required for power generation by ₹269 per tonne, to ₹1,113 per tonne in Fiscal 2024 from ₹1,382 per tonne due to lower utilisation of imported coal in Fiscal 2024.

Purchases of stock-in-trade

In line with an increase in our revenue from our trading segment, our purchases of stock-in-trade increased by 36.26% from ₹755.13 crore in Fiscal 2023 to ₹1,028.95 crore in Fiscal 2024.

Employee benefit expenses

Our employee benefit expenses decreased by 3.54% from ₹986.65 crore in Fiscal 2023 to ₹951.7 crore in Fiscal 2024 primarily due to the one-time impact of the 2023 special retirement voluntary scheme, which AEML offered to its employees from March 28, 2023 to April 15, 2023. The amount charged during Fiscal 2023 for the expected payout in this regard was ₹211.72 crore. In Fiscal 2024, we disbursed ₹122.97 crore and reversed the balance amount of ₹88.75 crore.

Finance costs

Our finance costs decreased by 0.54% from ₹2,781.47 crore in Fiscal 2023 to ₹2,766.51 crore in Fiscal 2024 , primarily due to an increase in finance cost in the transmission segment as we commissioned new transmission projects during the year. The increase was partially offset by reduction in finance cost in our GTD segment as we switched our hedging instruments from options (where mark to market movement was charged to finance cost) to cross currency swaps in Fiscal 2024.

Depreciation and amortization expenses

Our depreciation and amortization expenses increased by 10.47% from ₹1,607.74 crore in Fiscal 2023 to ₹1,776.08 crore in Fiscal 2024, primarily as a result of a regular addition of assets in the ordinary course of business.

Other expenses

Our other expenses increased by 65.61% from ₹1,809.17 crore in Fiscal 2023 to ₹2,996.11 crore in Fiscal 2024, primarily due to the construction costs relating to service concession arrangements for our transmission segment and smart metering business under the "BOOT" basis. Our other expenses also increased with an increase in repairs and maintenance costs of plant and equipment as we commissioned new transmission assets during the year.

Tax expense

Our tax expenses increased by 33.26% from ₹435.33 crore in Fiscal 2023 to ₹580.13 crore in Fiscal 2024, in line with the increase in our income and due to the one time tax impact of ₹64.49 crore on dividend from our Subsidiary AEML.

Profit after tax for the year

As a result of the foregoing, our profit after tax for the year decreased by 6.64% from ₹1,280.60 crore in Fiscal 2023 to ₹1,195.61 crore in Fiscal 2024.

Fiscal 2023 compared to Fiscal 2022

Income

Our total income increased by 16.68% from ₹11,861.47 crore in Fiscal 2022 to ₹13,840.46 crore in Fiscal 2023 primarily due to an increase in revenue from our GTD and transmission segments.

Our revenue from our GTD segment increased by 23.34% from ₹6,966.28 crore in Fiscal 2022 to ₹8,591.91 crore in Fiscal 2023 as (i) the volume of electricity sold increased by 1,090 MUs during the year, (ii) we recovered fuel adjustment charges, and (iii) we recognised revenue from MUL for the entirety of Fiscal 2023 compared to nine months in Fiscal 2022, as we acquired MUL in Fiscal 2022.

Our revenue from our transmission segment increased by 13.72% from ₹3,469.33 crore in Fiscal 2022 to ₹3,945.16 crore in Fiscal 2023. This increase was primarily because MERC approved the truing-up of tariffs for Fiscals 2020, 2021 and 2022. Our revenue also increased with the commissioning of certain transmission assets during the year causing a corresponding increase in tariffs.

This increase was partially offset by a decrease in our income from our trading segment by 8.06% from ₹821.91 crore in Fiscal 2022 to ₹755.65 crore in Fiscal 2023 Our other income also decreased by 9.31% from ₹603.95 crore in Fiscal 2022 to ₹547.74 crore in Fiscal 2023 primarily due to a decrease in sundry creditors balance which was a one-time income that we earned in Fiscal 2022.

Expenses

Our total expenses increased by 21.40% from ₹10,843.45 crore in Fiscal 2022 to ₹13,164.32 crore in Fiscal 2023 primarily due to an increase in our cost of power purchased. Our cost of fuel, employee benefit expenses, finance costs, depreciation and amortization expenses and other expenses also increased during the year.

Cost of power purchased

Our cost of power purchased increased by 38.18% from ₹2,778.88 crore in Fiscal 2022 to ₹3,839.98 crore in Fiscal 2023 as power consumption volumes increased during the year. This increase resulted in an increase of power procurement by 1,123 MUs during the year. The average cost of power also increased by ₹0.46 per unit, and a further increase in short term cost of power by ₹2.79 per unit during the year.

Cost of fuel

Our cost of fuel increased by 29.85% from ₹1,065.99 crore in Fiscal 2022 to ₹1,384.18 crore in Fiscal 2023 primarily due an increase in power generation volumes at ADTPS by 183 MUs from 3158 MUs in Fiscal 2023 from 2975 MUs in Fiscal 2022. Our cost of fuel also increased with an increase in the cost of coal required for power generation by ₹868 per tonne, to ₹6,217 per tonne in Fiscal 2023 from ₹5,349 per tonne in Fiscal 2022, primarily because of an increase in global fuel costs and higher utilisation of imported coal in Fiscal 2023.

Purchases of stock-in-trade

In line with a decrease in our revenue from our trading segment, our purchases of stock-in-trade decreased by 8.05% from ₹821.23 crore in Fiscal 2022 to ₹755.13 crore in Fiscal 2023.

Employee benefit expenses

Our employee benefit expenses increased by 11.48% from ₹885.07 crore in Fiscal 2022 to ₹986.65 crore in Fiscal 2023 primarily as we implemented a one-time special retirement voluntary scheme for our employees at AEML in Fiscal 2023 which included an expected payout ₹211.72 crore.

Finance costs

Our finance costs increased 17.61% from ₹2,364.95 crore in Fiscal 2022 to ₹2,781.47 crore in Fiscal 2023 primarily due an increase in interest paid on loans and debentures as we commissioned new transmission assets during the year. Once a transmission asset is commissioned, the related finance costs are charged to our profit and loss statement. Additionally, our finance costs increased with an increase in hedging costs resulting from currency swaps during the year.

Depreciation and amortization expenses

Our depreciation and amortization expenses increased by 12.65% from ₹1,427.15 crore in Fiscal 2022 to ₹1,607.74 crore in Fiscal 2023, primarily as a result of a regular addition of assets in the ordinary course of business.

Other expenses

Our other expenses increased 20.60% from ₹1,500.18 crore in Fiscal 2022 to ₹1,809.17 crore in Fiscal 2023, primarily because we provisioned for bilateral charges and liquidated damaged of ₹114.14 crore in Fiscal 2023 as the commissioning of certain transmission assets was delayed for reasons beyond our control. Our other expenses also increased with an increase in repairs and maintenance costs of plant and equipment as we commissioned new transmission assets during the year.

Tax expense

Our tax expenses marginally decreased by 0.17% from ₹436.06 crore in Fiscal 2022 to ₹435.33 crore in Fiscal 2023.

Profit after tax for the year

As a result of the foregoing, our profit after tax for the year increased by 3.63% from ₹1,235.75 crore in Fiscal 2022 to ₹1,280.60 crore in Fiscal 2023.

Key Performance Measures

The following table provides a snapshot of our key financial and operational performance measures for the periods indicated:

	Fiscal		
	2024	**2023**	**2022**
	(₹ in crore except for percentages)		
Total Income.	17,218.31	13,840.46	11,861.47
Profit after tax for the year	1,195.61	1,280.60	1,235.75
EBITDA(1)	6,322.15	6,100.93	5,492.59
EBITDA margin(2) (%)	36.72%	44.08%	46.31%
Cash profit(3)	3,257.04	3,410.74	3,039.05
ROCE(4) (%)	8.98%	9.58%	9.72%
Gearing ratio(5)	2.70	2.68	2.71
Net Debt to EBITDA(6)	3.80	4.92	4.87

Notes:
In addition to our results determined in accordance with Ind AS, we believe EBITDA and EBITDA margin are useful to investors in evaluating our operating performance. We believe that EBITDA and EBITDA margin when taken collectively with financial measures prepared in accordance with Ind AS, may be helpful to investors because it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance. However, our management does not consider EBITDA and EBITDA margin in isolation or as an alternative to financial measures determined in accordance with Ind AS. EBITDA and EBITDA margin are presented for supplemental informational purposes only, have limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with Ind AS. A reconciliation is provided above for EBITDA and EBITDA margin to the most directly comparable financial measure prepared in accordance with Ind AS. Investors are encouraged to review the related Ind AS financial measures and the reconciliation of EBITDA and EBITDA margin to their most directly comparable Ind AS financial measures included below and to not rely on any single financial measure to evaluate our business.

(1) EBITDA is calculated as profit before tax and deferred assets recoverable/adjustable for the year, plus finance costs and depreciation and amortization expenses.
(2) EBITDA margin is calculated as EBITDA divided by total income.
(3) Cash profit is calculated as profit after tax for the year, plus depreciation and amortisation expenses, plus deferred tax, deferred assets recoverable/adjustable and marked to market option loss.
(4) ROCE is calculated as profit before interest and tax and deferred assets recoverable/adjustable for the year divided by total assets less current liabilities.
(5) Gearing ratio is calculated as total debt divided by total equity.
(6) Net Debt to EBITDA is calculated as total debt excluding Shareholders Affiliated Debts at hedge rate less cash and cash equivalents, bank balance, current and non-current investment, balance held as margin money or security against borrowings divided by EBITDA.

Non-GAAP Measures

The following table presents a reconciliation of Profit Before Tax and Deferred Assets recoverable / adjustable for the year to EBITDA.

	Fiscal		
	2024	**2023**	**2022**
		(Rs. Crore)	
Profit before tax and deferred assets recoverable / adjustable for the year (a)	**1,779.56**	**1,711.72**	**1,700.49**
Add: Adjustments			
Finance costs	2,766.51	2,781.47	2,364.95
Depreciation and amortisation expense	1,776.08	1,607.74	1,427.15
Total Adjustment (b)	**4,542.59**	**4,389.21**	**3,792.10**
Earnings before interest, taxes, depreciation, and amortization (EBITDA) (c= a+b)	**6,322.15**	**6,100.93**	**5,492.59**
Total Income (d)	17,218.31	13,840.46	11,861.47
EBITDA Margin (e= c/d)	**36.72%**	**44.08%**	**46.31%**

Liquidity and Capital Resources

Our principal capital requirements are for establishing new transmission assets and working capital for servicing and maintaining our operating transmission assets and distribution assets. We have met these requirements primarily through cash flows from operations, equity infusions from shareholders and borrowings. As of March 31, 2024, we had ₹742.06 crore in cash and cash equivalents and ₹1,486.08 crore as bank balances. We believe that our current cash and cash flows provided by operating activities, our borrowings and the estimated net proceeds from this Issue will be sufficient to meet our investment requirements and working capital needs in the next 12 months following the date of this Preliminary Placement Document. See "*Use of Proceeds*" on page 84.

We may be required to seek additional equity or debt financing for developing and operating our transmission assets. Our sources of funding could be adversely affected by factors beyond our control. Any such factors could have a material adverse effect on our cash flows from operations and our ability to obtain funds from external sources on acceptable terms, in a timely manner or in sufficient amounts, or at all. In the event that we require additional financing we may not be able to raise such financing on acceptable terms or at all. If we are unable to raise additional capital or generate cash flows necessary, we may not be able to compete successfully, which would harm our business, results of operations and financial condition. If adequate funds are not available, we may need to reconsider our expansion plans, which could have a material adverse impact on our business prospects and results of operations.

Cash Flows

The table below summarizes the statement of cash flows, as per our consolidated cash flow statements, for the years indicated:

	Fiscal		
	2024	2023	2022
		(in ₹ crore)	
Net cash generated from operating activities (A)	6,037.62	3,776.99	4,096.61
Net cash flow used in investing activities (B)	(4,943.03)	(4,698.71)	(3,948.03)
Net cash flow generated from/(used in) financing activities (C)	(543.24)	923.22	(234.86)
Net increase/(decrease) in cash and cash equivalent (A+B+C)	551.35	1.50	(86.28)

Operating Activities

Net cash generated from operating activities in Fiscal 2024 was ₹6,037.62 crore, while our operating profit before working capital changes was ₹5,743.85 crore. This change was due to an increase in other financial liabilities, other liabilities and provisions of ₹416.17 crore and a decrease in regulatory deferral account of ₹392.47 crore.

Net cash generated from operating activities in Fiscal 2023 was ₹3,776.99 crore, while our operating profit before working capital changes was ₹5,601.39 crore. This change was due to an increase in regulatory deferral account of ₹839.81 crore and an increase in other financial assets and other assets of ₹495.57 crore.

Net cash generated from operating activities in Fiscal 2022 was ₹4,096.61 crore, while our operating profit before working capital changes was ₹4,927.65 crore. This change was due to an increase in regulatory deferral account of ₹682.47 crore.

Investing Activities

Net cash used in investing activities in Fiscal 2024 was ₹4943.03 crore, which primarily consisted of purchase of property, plant and equipment of ₹5429.54 crore and deposit in bank (margin money) of ₹494.39 crore, which was partially offset by sale of current investments of ₹682.85 crore.

Net cash used in investing activities in Fiscal 2023 was ₹4,698.71 crore, which primarily consisted of purchase of property, plant and equipment of ₹4,702.21 crore, non-current loans given of ₹2,003.76 crore and purchase of current investments of ₹726.02 crore, which was partially offset by non-current loans received back of ₹3,106.20 crore.

Net cash used in investing activities in Fiscal 2022 was ₹3,948.03 crore, which primarily consisted of purchase of property, plant and equipment of ₹4,190.86 crore, non-current loans given of ₹767.40 crore, which was partially offset by non-current loans received back of ₹707.80 crore.

Financing Activities

Net cash generated used in financing activities for Fiscal 2024 was ₹543.24 crore, and primarily included repayment of long-term borrowings of ₹3,277.27 crore and finance costs paid of ₹3,221.95 crore, partially offset by proceeds from long-term borrowings of ₹5,458.95 crore.

Net cash generated from financing activities for Fiscal 2023 was ₹923.22 crore, and primarily included proceeds from issuance of share capital and premium of ₹3,850.00 crore, proceeds from long-term borrowings of ₹5,169.59 crore, which was partially offset by repayment of long-term borrowings of ₹3,573.23 crore and repayment of unsecured perpetual equity instrument of ₹3,075.49 crore.

Net cash used in financing activities for Fiscal 2022 was ₹234.86 crore, and primarily included repayment of long-term borrowings of ₹5,564.49 crore, finance costs paid of ₹2,365.13 crore and repayment of short-term borrowings of ₹511.05 crore which was partially offset by proceeds from long-term borrowings of ₹8,211.61 crore.

Indebtedness

As of March 31, 2024 we had total current borrowings of ₹3,449.25 crore and non-current borrowings of ₹33,559.62 crore. Our current borrowings primarily include secured notes, loans from banks and non-convertible debentures having current maturity within one year and short term working capital loans/borrowing availed to bridge cash flow mismatch. Our non-current borrowings primarily include secured foreign currency loans, unsecured loans from related parties and secured term loans from banks.

The following table provides a snapshot of our aggregate indebtedness of as of March 31, 2024:

	Non-current	Current
	As of March 31, 2024	
	(in ₹ crore)	
Secured		
Bonds		
5.20% US private placement[(1)]	2,819.80	96.89
4.25% US$ bonds[(2)]	3,000.13	247.72
3.949% US$ bonds[(3)]	7,289.87	-
4.00% US$ bonds[(4)]	4,140.25	-
3.867% Sustainability linked notes[(5)]	2,480.45	-
Term Loans[(6)]		
From banks		
Rupee loan	3,191.63	155.21
Foreign currency loan	2,809.79	145.04
From financial institutions	3,285.26	110.52
Trade Credits and Buyers Credit		
From banks	-	-
Non Convertible Debentures[(7)]	907.24	46.06
Unsecured		
Non convertible debentures	-	99.94
Loans and advances from related parties	1,307.32	-
Shareholders affiliated debts	2,327.88	-
Total	**33,559.62**	**901.38**
Amount disclosed under the head current financial liabilities	-	2,547.87
Total	33,559.62	3,449.25

** Foreign currency borrowing are revalued using the exchange rate as on March 31, 2024.*
*** Above borrowing are at amortise cost.*

(1) *The 5.20% US private placement notes were issued by six of our Subsidiaries on March 11, 2020 and mature on March 11, 2050. The notes are secured by first ranking charge on receivables, on all immovable and movable assets, charge or assignment of rights under the relevant transmission service agreement and other project documents, and a charge or assignment of rights and/or designation of the security trustee as loss payee under each insurance contract in respect of the relevant project. The notes are also secured by way of pledge over 100% over the shares of seven of our Subsidiaries.*

(2) *The 4.25% US$ bonds were issued on November 21, 2019 and mature on May 21, 2036. The bonds are secured by a first ranking pari passu charge by a mortgage of land situated at Sanand, hypothecation of all the assets (movable and immovable) including current assets of the Company, a pledge over 100% equity shares of our Subsidiaries, Adani Transmission (India) Limited ("**ATIL**") and Maharashtra Eastern Grid Power Transmission Company Limited ("**MEGPTCL**"), accounts and receivables of ATIL and MEGPTCL and also the operating cash flows, book debts, loans and advances, commissions, dividends, interest income, revenues present and future of ATIL and MEGPTCL, and assignment of security over loans given to ATIL and MEGPTCL.*

(3) *The 3.949% US$ bonds were issued on February 12, 2020 and mature on February 12, 2030. The bonds are secured by a first pari passu mortgage over certain identified immovable properties, a first pari passu charge on the movable assets of a project (both present and future), a first pari passu charge on all book debts, operating cash flows, receivables, commissions or revenues whatsoever arising out of the project (both present and future), a first pari passu charge on the accounts and amounts lying to the credit of such accounts (both present and future), a first pari passu assignment in relation to Transmission License and Distribution License, subject to approval from the MERC, a pledge over 100% of the entire paid up equity and preference share capital of the Company, a non-disposal undertaking over immovable properties other than certain identified immoveable properties, a non-disposal undertaking over the immoveable and moveable assets of the service company; and a non-disposal undertaking over 100% of the equity and preference share capital of the service company. In addition, the collateral also includes such security interest as may be required to be created by other group entities in the future, and such collateral may be shared in the same manner as aforementioned with other lenders of the Company, and such future obligors. The collateral will be a first charge ranking pari passu among the debt security holders, without any preference or priority and shall rank pari passu with all the senior secured debt of the Company.*

(4) *The 4.00% US$ bonds were issued on August 3, 2016 and mature on August 3, 2026. The bonds are secured by a first ranking pari passu charge by a mortgage of land situated at Sanand, hypothecation of all the assets (movable and immovable) including current assets of the Company, a pledge over 100% equity shares of our Subsidiaries ATIL and MEGPTCL, accounts and receivables of ATIL and MEGPTCL and also the operating cash flows, book debts, loans and advances, commissions, dividends, interest income, revenues present and future of ATIL and MEGPTCL, and assignment of security over loans given to ATIL and MEGPTCL.*

(5) The sustainability linked notes – 3.867% were issued on July 22, 2021 and mature on July 22, 2031. The bonds are secured by a first pari passu mortgage over certain identified immovable properties, a first pari passu charge on the movable assets of a project (both present and future), a first pari passu charge on all book debts, operating cash flows, receivables, commissions or revenues whatsoever arising out of the project (both present and future), a first pari passu charge on the accounts and amounts lying to the credit of such accounts (both present and future), a first pari passu assignment in relation to Transmission License and Distribution License, subject to approval from the MERC, a pledge over 100% of the entire paid up equity and preference share capital of the Company, a non-disposal undertaking over immovable properties other than certain identified immoveable properties, a non-disposal undertaking over the immoveable and moveable assets of the service company; and a non-disposal undertaking over 100% of the equity and preference share capital of the service company. In addition, the collateral also includes such security interest as may be required to be created by other group entities in the future, and such collateral may be shared in the same manner as aforementioned with other lenders of the Company, and such future obligors. The collateral will be a first charge ranking pari passu among the debt security holders, without any preference or priority and shall rank pari passu with all the senior secured debt of the Company.

(6) Availed from various banks and financial institutions are secured by a pari passu charge on all present and future movable and immovable assets, receivables, project documentation, cash flows, licences, insurance contracts and approval. Respective companies shares are also pledged.

(7) Non-convertible debentures (₹90.03 crore) are secured by a first charge over receivables, immovable and movable assets created out of project on pari passu basis with other secured lenders, while non-convertible debentures (₹873.00 crore) are secured by having first charge over movable/intangible assets created out of project on pari passu basis.

Contractual Obligations and Commercial Commitments

Contractual obligations

The table below sets forth our contractual obligations with definitive payment terms as of March 31, 2024. These obligations primarily relate to our borrowings, trade payables and other financial liabilities.

	Less than 1 year	1-5 years	More than 5 years	Total
		(₹ in crore)		
Borrowings	6,770.30	18,974.42	29,102.40	54,847.12
Trade payables	1,722.11	-	37.39	1759.50
Derivative liabilities	2.45	80.81	-	83.26
Other financial liabilities	2,041.38	432.31	-	2,473.69
Lease liabilities (carrying value ₹60.78 crore)	9.62	42.49	47.86	99.97

Note:

The amounts in the table above are based on the undiscounted contractual maturities of the financial liabilities and include interest that will be paid on those liabilities up to the maturity of such instrument without taking into account the call and refinancing options available to us. The amounts included above for variable interest rate instruments for non-derivative liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

Historical and planned capital expenditure

As of March 31, 2024, 2023 and 2022, our total capital work in progress was ₹3,002.69 crore, ₹6,200.44 crore and ₹5,060.16 crore, respectively. We are currently developing nine transmission assets that, in aggregate, will expand our current operational transmission network from 18,115 ckms (as of June 30, 2024) to 21,187 ckms. We have recently bid for, won and entered into contracts for nine smart metering projects and intend to bid for additional smart metering projects. We have also applied for licenses for parallel distribution and if successful, we expect to incur additional capital expenditure costs. For further details, see "*Our Business — Transmission Systems Under Construction*" on page 159, see "*Our Business — Smart Metering Business*" on page 165 and see "*Our Business — Our Strategies*" on page 148. Construction and development of these transmission assets will require significant capital expenditures. Our Company expects to finance such capital expenditures through project financing at the level of each project company level, which will be non-recourse to our Company.

Contingent Liabilities and Commitments

The following table sets forth the principal components of our contingent liabilities as of March 31, 2024, 2023 and 2022.

	As of March 31,		
	2024	2023	2022
	(₹ in crore)		
Contingent Liabilities			
Direct tax & indirect tax	41.95	44.18	12.85
Demand disputed by the group relating to service tax on street light maintenance, wheeling charges and cross subsidy surcharge[(1)]	353.55	353.55	353.55
Claims raised by the Government authorities towards unearned income arising on alleged transfer of certain land parcels[(1)]	127.65	127.65	127.65

	As of March 31,		
	2024	2023	2022
	(₹ in crore)		
Claims raised by Vidarbha Industries Power Limited ("**VIPL**") in respect of increase in fuel cost for the financial year ended March 31, 2019(1)	1,381.28	1,381.28	1,381.28
Way leave fees claims disputed by the group relating to rates charged (1)	28.43	28.43	28.43
Other claims not acknowledged by the group as debts	33.43	33.43	33.43
Property related disputes(1)..	2.59	2.59	2.59
Demand disputed by the Company relating to standby charges including interest payable(2)	398.68	213.79	—
Liability in respect of termination of power purchase lease agreement(6)	@@	@@	@@
Total..	**2,367.56**	**2,184.90**	**1,939.78**
Commitments:			
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advance)	6,854.26	5,705.37	1,777.55

Notes:

(1) *Under the terms of the Share Purchase Agreement entered into by AEML and Reliance Infrastructure Limited ("**R-Infra**"), in the event the matters set forth above are decided against AEML and are not recoverable from consumers, AEML will be entitled to recover from R-Infra.*

(2) *On May 5, 2024, AEML filed an appeal under under Section 111 of the Electricity Act, 2003, challenging the Order dated 31 March 2023 passed by the MERC directing levy of standby charges by Maharashtra State Electricity Distribution Company Limited. The hearing took place on January 1, 2024, and pleadings have been completed. The Registry of APTEL is set to include the appeal in the List of Finals, where it will be addressed in due course. In this appeal, AEML also submitted IA 844 of 2023, seeking a stay on the payment of standby charges to MSEDCL. APTEL vide Order dated September 26, 2023 set aside the MERC direction to pay standby charges to MSEDCL. Subsequent to the above, AEML has filed Case 1 of 2024 before MERC seeking for discontinuation of the standby arrangement and consequential relief. This matter is scheduled for a hearing on June 28, 2024.*

(3) *The above contingent liabilities (except interest payable of ₹28.67 crore included above in demand disputed by our Company relating to standby charges including interest repayable) to the extent pertaining to our businesses that are regulated that earns revenue under the "cost-plus" basis, we will be able to recover unfavorable outcomes from consumers, subject to the MERC's or CERC's approval.*

(4) *Amounts in respect of employee related claims/disputes, consumer related litigation, regulatory matters are not ascertainable.*

(5) *Future cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.*

(6) *Amount not determinable. AEML had terminated long term power purchase agreement ("**PPA**") due to non-performance of obligations under the PPA by VIPL, such termination has been upheld by MERC/Appellate Tribunal of Electricity ("**ATE**"). VIPL has filed an appeal before the Hon'ble Supreme Court against the said order issued by the ATE. The proceedings are ongoing with the Hon'ble Supreme Court of India.*

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Related Party Transactions

We enter into various transactions with related parties. For further information see *"Related Party Transactions"* on page 39.

Quantitative and Qualitative Disclosures about Market Risk

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

Interest rate risk

We are exposed to changes in market interest rates due to financing, investing and cash management activities. Our exposure to the risk of changes in market interest rates relates primarily to our long-term debt obligations with floating interest rates and period of borrowings. We manage our interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. We enter into interest rate swap contracts or interest rate future contracts to manage its exposure to changes in the underlying benchmark interest rates.

During the year 2021-22, AEML issued the Sustainability Linked Bond (SLB) of US$300.00 million through 10-year notes under US$2.00 billion Global Medium-Term Notes program which carry fixed rate of interest till maturity with certain Sustainability Performance Targets ("**SPTs**"), non-attainment of which will result in increase in fixed rate of interest by 0.15% per annum, for SPT 1 in March 2027 and further 0.15% per annum for SPT 2 for March 2029.

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

If interest rates had been 50 basis points higher / lower and all other variables were held constant, our profit for Fiscal 2024 would decrease / increase by ₹59.01 crore. This is mainly attributable to interest rates on variable rate borrowings.

The year end balances are not necessarily representative of the average debt outstanding during the year.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Our exposure to the risk of changes in foreign exchange rates relates primarily to our operating activities. We manage our foreign currency risk by hedging transactions that are expected to realise in future.

Derivative Financial Instrument

We use derivatives instruments as part of our management of risks relating to exposure to fluctuation in foreign currency exchange rates and interest rates. We do not acquire derivative financial instruments for trading or speculative purposes neither do we 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 our 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. We try 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.

We enter 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 March 31, 2024.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a loss to us. We have adopted the policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial losses from default, and generally do not obtain any collateral or other security on trade receivables.

The carrying amount of financial assets recorded in the financial statements represents our maximum exposure to credit risk. Since we are an inter-state and intra-state transmission licensee, the responsibility for billing and collection on behalf of us lies with the CTU/STU. Based on the fact that the collection by CTU/STU is from Designated ISTS Customers (or DICs) which in majority of the cases are central / state government organizations and further based on an analysis of the past trends of recovery, our management is of the view that the entire receivables are fully recoverable. Accordingly, we do not recognize any impairment loss on its receivables.

Further, in case of our GTD business, given the diverse nature of the consumer profile, 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 under normal course of the business having sound credit worthiness and as such that we believe exposure to credit risk to be minimal.

Liquidity risk

We monitor our risk of shortage of funds using cash flow forecasting models. These models consider the maturity of our financial investments, committed funding and projected cash flows from operations. Our objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner and to manage its capital structure. A balance between continuity of funding and flexibility is maintained through the use of various types of borrowings.

Seasonality

The revenue from operations for our distribution business is based on the volume of electricity used by our consumers which is subject to seasonal fluctuations. Accordingly, our revenues from our distribution business in the April to June quarter, and the post-monsoon months of September and October, are traditionally higher than those during the other months of the year. See "*Risk Factors–Risks Related to our Business–Our electricity distribution revenues are exposed to variations in demand for electricity affecting customer usage. Any reduction in demand could have a material adverse effect on our business, prospects, financial condition and results of operations*." on page 43.

Significant Economic Changes

Other than as described above, to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

Unusual or Infrequent Events of Transactions

Except as described in this Preliminary Placement Document, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in this section and the uncertainties described in the section titled "*Risk Factors*" beginning on page 40. To our knowledge, except as described or anticipated in this Preliminary Placement Document, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

Future Relationship Between Cost and Income

Other than as described elsewhere in this Preliminary Placement Document, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenues.

Significant Developments after March 31, 2024 That May Affect Our Future Results of Operations

Except as stated in this Preliminary Placement Document and as disclosed below, to our knowledge, no circumstances have arisen since the date of the Audited Statements as disclosed in this Preliminary Placement Document which materially and adversely affect or are likely to affect our trading, operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months:

Divestment of the Adani Dahanu Thermal Power Station

AEML is in the process to divest ADTPS to honor its ESG commitment. The board of directors of AEML, pursuant to the resolution passed at its meeting concluded on July 24, 2024, has approved the divestment of ADTPS to one of its related parties, subject to requisite regulatory approval at the transaction price of ₹815.00 crore against the carrying value in books of ₹2,321.02 crore and hence ₹1,506.02 crore has been charged in the statement of profit and loss as exceptional item in accordance with Ind AS 105.

Consolidated Unaudited Quarterly Financial Results for the First Quarter of 2025

On July 25, 2024, we announced our Consolidated Unaudited Quarterly Financial Results for the first quarter ended June 30, 2024. The Consolidated Unaudited Quarterly Financial Results for the first quarter ended June 30, 2024 are set forth below.

(*in ₹ crore*)

Particulars	For the quarter ended June 30, 2024 (unaudited)	For the quarter ended June 30, 2023 (unaudited)
Income		
Revenue from Operations	5,378.55	3,663.91
Other Income	111.42	108.34

Particulars	For the quarter ended June 30, 2024 (unaudited)	For the quarter ended June 30, 2023 (unaudited)
Total Income	**5,489.97**	**3,772.25**
Expenses		
Cost of Power Purchased	1,346.15	1,154.87
Cost of Fuel	291.92	304.82
Purchases of Stock-in-Trade	165.87	0.01
Employee Benefits Expense	276.17	242.80
Finance Costs	810.93	615.67
Depreciation and Amortisation Expense	497.85	418.88
Other Expenses	1,054.11	387.64
Total Expenses	**4,443.00**	**3,124.69**
Profit Before Rate Regulated Activities, Exceptional items, Tax and Deferred Assets recoverable/adjustable for the period	**1,046.97**	**647.56**
Net movement in Regulatory Deferral Account Balances – Income/(Expenses)	(593.65)	(304.47)
Profit Before Exceptional items, Tax and Deferred Assets recoverable/adjustable for the period	**453.32**	**343.09**
Exceptional Items	(1,506.02)	-
Profit Before Tax and deferred assets recoverable/adjustable for the period	**(1,052.70)**	**343.09**
Tax Expense:		
Current Tax	43.12	112.87
Deferred Tax	93.45	47.59
Total Tax Expense	**136.57**	**160.46**
Profit After Tax for the period but before Deferred Assets recoverable/adjustable	**(1,189.27)**	**182.63**
Deferred assets recoverable/adjustable	(1.39)	(0.65)
Profit After Tax for the period	**(1,190.66)**	**181.98**
Other Comprehensive Income/(Loss)		
(a) Items that will not be reclassified to profit or loss		
- Remeasurement gain / (loss) of Defined Benefit Plan	(2.96)	0.04
- Movement in Regulatory Deferral Balance	2.78	-
(b) Tax relating to items that will not be reclassified to Profit or Loss	0.03	(0.00)
(c) Items that will be reclassified to profit or loss	94.59	(472.44)
(d) Tax relating to items that will be reclassified to Profit or Loss	(21.86)	101.35
Other Comprehensive Income/ (Loss) for the year (Net of Tax)	**72.58**	**(371.05)**
Total Comprehensive Income for the period	**(1,118.08)**	**(189.07)**
Profit/ (Loss) for the year attributable to:		
Owners of the Company	(823.92)	175.06
Non-controlling interests	(366.74)	6.92
	(1,190.66)	**181.98**
Other Comprehensive Income / (Loss) for the period attributable to:		
Owners of the Company	64.64	(330.94)
Non-controlling interests	7.94	(40.11)
	72.58	**(371.05)**
Total Comprehensive Income/ (Loss) for the period attributable to:		
Owners of the Company	(759.28)	(155.88)
Non-controlling interests	(358.80)	(33.19)
	(1,118.08)	**(189.07)**
Basic / Diluted Earnings per Equity Share (Face Value of Rs. 10 each) after Net movement in Regulatory Deferral Account Balances (Rs.) (not annualized)	(7.39)	1.57
Basic / Diluted Earnings per Equity Share (Face Value of Rs. 10 each) before Net movement in Regulatory Deferral Account Balances (Rs.) (not annualized)	(4.08)	3.34

INDUSTRY OVERVIEW

*The information in this section is derived from the report titled "Industry report on power transmission and distribution, and smart metering", dated May 2024 (the "**CRISIL Report**"), prepared by CRISIL Limited ("**CRISIL**"). We commissioned and paid for the CRISIL Report for the purpose of confirming our understanding of the industry in connection with the Issue. Further, the CRISIL Report was prepared based on publicly available information, data, and statistics as of specific dates and may no longer be current or reflect current trends. CRISIL has used various primary and secondary sources including government sources as well as international agencies to prepare the report. The CRISIL Report may also be based on sources that base their information on estimates, projections, forecasts, and assumptions that may prove to be incorrect. CRISIL has advised that it does not guarantee the accuracy, adequacy, or completeness of the CRISIL Report or the data therein and is not responsible for any errors or omissions or for the results obtained from the use of CRISIL Report or the data therein. Further, the CRISIL Report is not a recommendation to invest / disinvest in any company covered in the report. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters / distributors of the CRISIL Report. Prospective investors are advised not to unduly rely on the CRISIL Report when making their investment decision. Unless otherwise stated Fiscal refers to the financial year ended March 31 of that year. Unless otherwise stated, all financial numbers are presented in crore. 1 crore is equal to 10 million.*

Macroeconomic view

The economic environment remained moderate in calendar year 2023, characterised by central banks raising policy interest rates. This led to elevated credit costs for both industrial and retail segments, impacting investments during the year. Nevertheless, it helped reign in rising inflation levels, which have started moderating, further supported by global supply easing across key commodities.

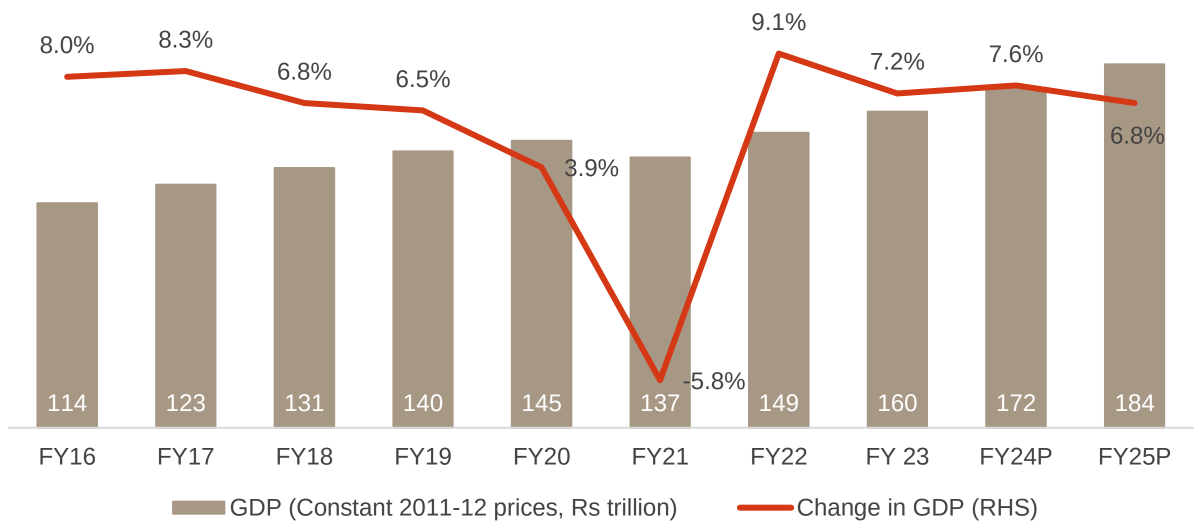
As per the International Monetary Fund ("**IMF**") economic outlook for calendar year 2023, global growth is estimated at 3.1%, amid a high-interest-rate environment and moderating inflation. This trend is expected to continue, with growth expected to stay at 3.1% in 2024 and increase moderately to 3.2% in 2025. Growth is expected to be divergent, with advanced economies likely to experience a slight decline in 2024 before recovering in 2025. Conversely, emerging economies are expected to sustain steady growth throughout both years.

India's macroeconomic overview

India's gross domestic product ("**GDP**") grew 7.2% on-year to approximately ₹160 trillion in Fiscal year ("**FY**" or "**Fiscal**") 2023, building on the robust 9.1% expansion in Fiscal 2022. This suggests strong growth momentum, which was propelled by domestic demand through the year, both from investment and private consumption. Fiscal 2024 is expected to sustain the growth momentum at 7.6%, despite a high base. Up to the third quarter, economic growth was driven by fixed investments, with private consumption trailing overall GDP growth. Meanwhile, industrial activity was a key support on the supply side.

Following a strong GDP print over Fiscals 2022 to 2024E, GDP growth is expected to moderate to 6.8% in Fiscal 2025 as Fiscal consolidation will reduce the Fiscal impulse to growth, rising borrowing costs and increased regulatory measures could weigh on demand, net tax impact on GDP is expected to normalise, and exports could be impacted by uneven growth in key trade partners.

Figure 1: India GDP over the years



Source(s): Ministry of Statistics and Programme Implementation ("MoSPI"), CRISIL MI&A Research

Over the medium term, the Indian economy is projected to grow 6 to 7% on-year, boosted by healthy public capital expenditure ("**capex**"), domestic consumption-led growth, the ongoing supply-chain de-risking strategy of global companies that would boost manufacturing in India, and the thrust provided by the PLI scheme. The slowdown in global economies, however, could negatively impact Indian exports, constraining GDP growth.

Power demand shows strong correlation with per capita GDP

A 30-year data assessment indicates a strong correlation between power demand and overall GDP growth. Cross-country and cross-state comparisons also indicate the same. Hence, tracking GDP growth and its impact on per capita power demand is considered an established means of understanding the prospects of the power sector. An efficient transmission and grid infrastructure would help reduce aggregate technical and commercial ("**AT&C**") losses and improve energy efficiency in the power sector.

Indian power market

The Indian power industry is divided into five regions for the planning and operation of electricity generation, transmission, and distribution — the Northern, Southern, Eastern, Western and Northeastern regions. Transmission of electricity within the regions is done through regional grids and transmission of electricity between regions via the national grid. The northern, eastern, western, and north-eastern regions are interconnected and operate as a single grid, known as the national grid. The southern grid was synchronized with the all-India grid, i.e., the NEW grid, in December 2013 through the Raichur-Solapur 765 kV S/C line, thus leading to formation of one synchronous national grid (one grid - one nation - one frequency).

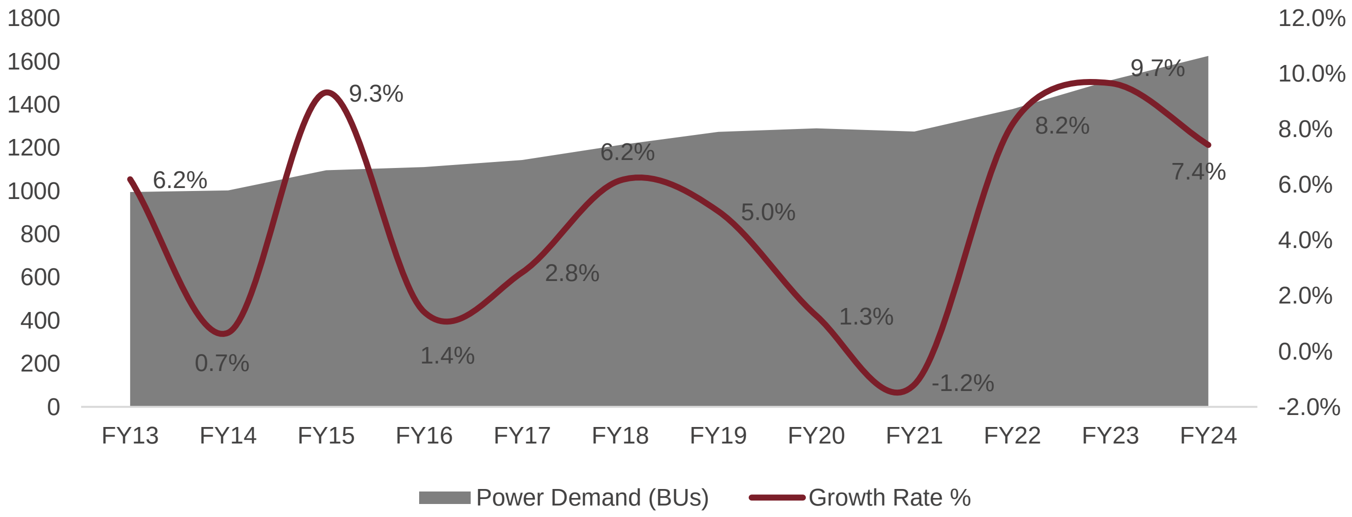
Overview of demand and supply

Growth in consumption is projected to continue in Fiscal 2025. Post a strong rise of 7.4% on-year in Fiscal 2024 over a high increase of 9.6% in Fiscal 2023, CRISIL MI&A Research expects power demand to rise 5 to 6% on-year in Fiscal 2025. In absolute terms, power demand is expected to surge to 1,720 to 1,730 billion units ("**BUs**") in Fiscal 2025 as compared to 1,626 BUs in Fiscal 2024. Estimated growth in GDP of 7.3% in Fiscal 2024, along with seasonal vagaries, is expected to sustain high demand for power. Power demand to increase approximately 1.5x by 2032 from 1,626 BUs in Fiscal 2024.

India's utility power demand in Fiscal 2024 was 1,626 BUs (excluding captive consumption). The per capita electricity consumption (including captive consumption) is expected to have increased to 1,340-1,350 units in Fiscal 2024 from 1,255 units in Fiscal 2022.

CRISIL MI&A Research expects power demand growth to moderate in Fiscal 2025 to 5 to 6% on year as the strong El-Nino conditions prevailing over Equatorial Pacific currently have moderated at the end of March 2024. Additionally, the growth rate comes on the back of three subsequent years of high growth rates, highlighting the sustained trend of surge in demand but some moderation is expected in 2025.

Figure 2: Snapshot on power demand (BUs)



F – forecast

Source(s): Central Electricity Authority ("CEA"), CRISIL MI&A Research

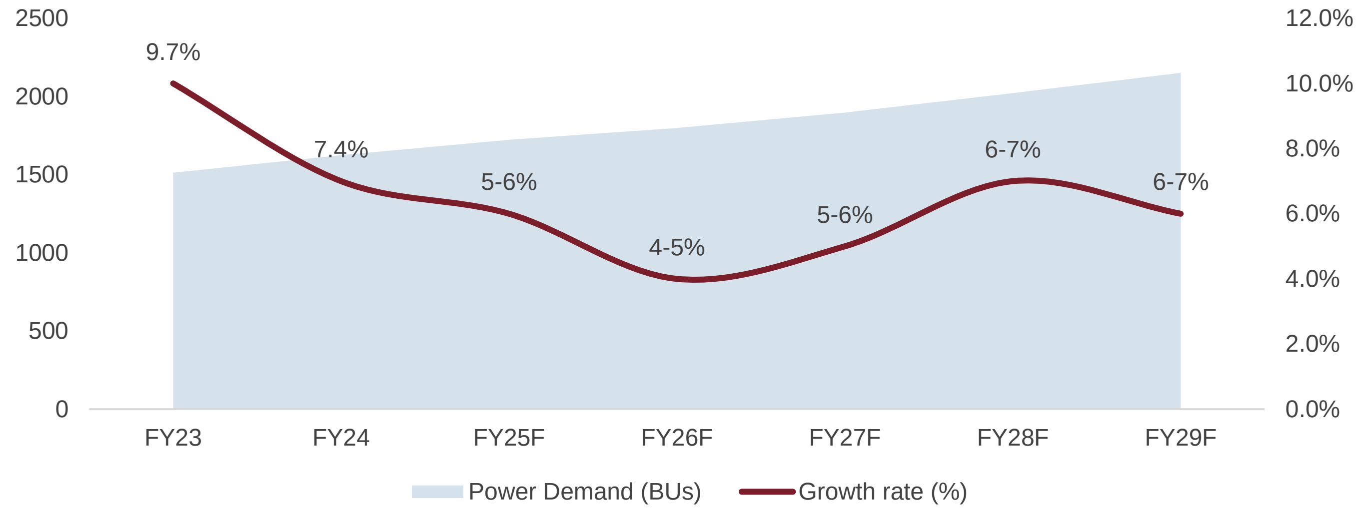
While base demand has grown at a CAGR of approximately 5% over Fiscal 2019 to 2024, peak demand has grown at 6.6% during the same period. Power demand in India is driven by the industrial and commercial segments, which together account for close to half of India's annual power consumption, with domestic and agriculture sectors constituting 25% and 17%, respectively.

Energy consumption is expected to be bolstered by the government's increasing focus on rural electrification, railway electrification, transition to electric vehicles and policies such as '24x7 Power for All.'

Power demand to maintain healthy growth from Fiscal 2025 to Fiscal 2029

Between Fiscals 2025 and 2029, power demand is expected to sustain a high growth trajectory of 5 to 6% CAGR on the back of healthy economic growth and expansion of the electricity footprint via strengthening of the distribution infrastructure. The government's continued infrastructure and industrial manufacturing push is expected to drive power demand as well, with climate change induced temperature fluctuation also a key reason for peak demand surges. Major reforms initiated by the central government towards improving the health of the power sector, particularly that of state distribution utilities, are expected to improve the quality of power supply, thereby boosting power penetration levels as well.

Figure 3: Snapshot of power demand (BUs)



F – forecast

Source(s): CRISIL MI&A Research

Power demand – drivers and constraints

Along with macro-economic factors, demand is expected to be fuelled by railway electrification, upcoming and ongoing metro projects, growing demand from charging infrastructure due to faster adoption of electric vehicles ("**EVs**"), and higher demand from key infrastructure and manufacturing sectors. However, increasing energy efficiency, reduction in technical losses over the long term, and captive as well as off-grid generation from renewables would cap the growth.

- **Railway electrification**: In a bid to become a net-zero emitter by 2030, the Government of India's ("**GoI**") aim was to achieve 100% electrification of Indian Railways by December 2023. However, pandemic-induced lockdowns and a sluggish pace have pushed full electrification into subsequent Fiscals. Indian railway has one of the world's largest rail networks, spanning 68,426 km as of Fiscal 2023 The power sector is poised to witness incremental demand from railway electrification. However, the increase in demand will be partially offset by a decrease on the energy consumption in electrifying per-km route due to improvement in energy efficiency.

- **Operational & upcoming metro projects:** Metros need electricity for train traction and operation of the stations. Metro rail has seen substantial growth in India in recent years, and the pace is only going to exponentially increase across cities. Currently, as of March 2024, approximately 900 km of metro routes is operational across 17 cities. Around 712 km of metro line is under construction and 1,878 km is proposed. Electricity consumption from the aforesaid categories is expected to add an average incremental power demand of 5.5 to 6 BU every year. Currently, metro projects constitute a marginal share of the total incremental demand, but the share is expected to increase thanks to the upcoming metro projects.

- **Electric vehicles:** The GoI is focusing on building charging infrastructure and creating a conducive policy environment for faster adoption of EVs to reduce dependence on fossil fuels for transportation. India aims to increase the share of EVs in overall car population to 30% by 2030. The GoI, in the Union Budget 2019 to 20, announced ₹10 billion in subsidies for building a nationwide EV charging infrastructure as a part of Faster Adoption and Manufacturing of Electric and Hybrid Vehicles in India Scheme Part II or FAME-II. CRISIL MI&A Research projects that the adoption of EVs will add up to 60 to 65 BUs of power demand between Fiscals 2025 and 2029.

- **Declining T&D loss:** The Revamped Distribution Sector Scheme ("**RDSS**") which is a reform-oriented scheme aimed at enhancing the quality and reliability of power supply, ensuring the financial sustainability and operational efficiency of the distribution sector. The scheme's objective is to reduce aggregate technical and commercial ("**AT&C**") losses to 12 to 15%. Moreover, the GoI has granted additional borrowing permissions linked to reductions in AT&C losses and the average cost of supply and average revenue realized ("**ACS-ARR**") gap, amounting to 0.05% of each state's gross state domestic product ("**GSDP**"). T&D losses are expected to continue to decline due to the measures implemented by the Government. This reduction will subsequently lead to a decrease in the incremental power requirement needed as a buffer to compensate for these losses.

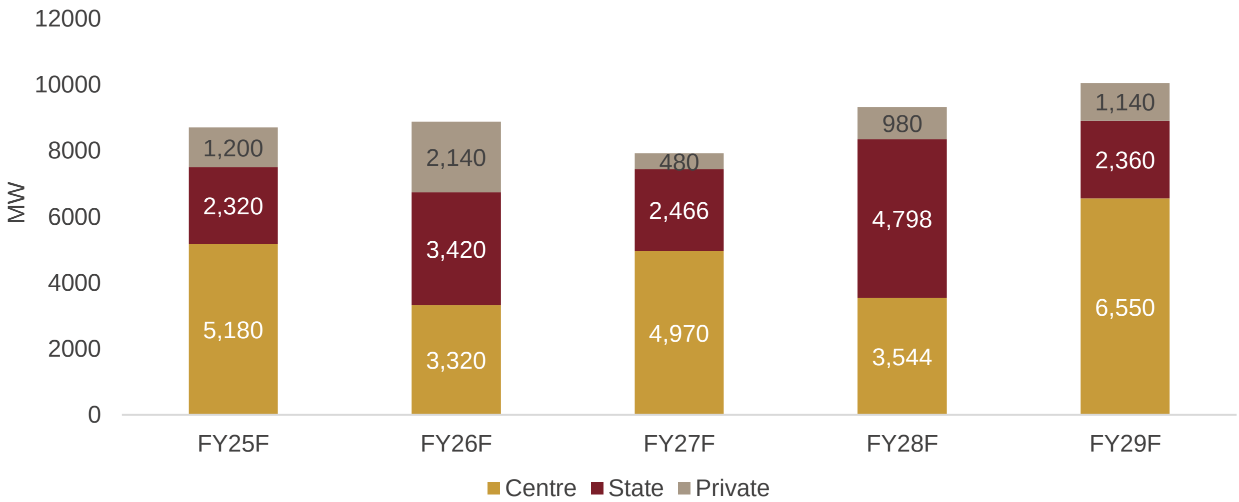
- **Solar rooftops:** Led by a boost to rooftop solar and declining costs of renewable energy generation, rooftop solar generation is expected to increase, substituting the need for power transacted over long distances through the grid. By Fiscal 2029, rooftop addition is expected to be 18-23 gigawatt ("**GW**") which will increase solar rooftop installed base to 31 to 33 GW resulting in reduction of 2 to 3% in base demand.

- **Energy efficient schemes:** Unnati Jyoti Affordable LEDs for All ("**UJALA**") scheme is aimed at replacing 770 million inefficient bulbs with LED bulbs across the country by March 2019; however, the scheme is progressing at a sluggish pace and achieved less than 50% of the target after eight years of its launch, with approximately 368 million bulbs replaced as of May 2024. Although the scheme will reduce energy consumption equivalent to 88% of conventional bulbs, it only contributes marginally towards power demand reduction.

Conventional fuel addition to grow at a steady pace

CRISIL MI&A Research expects 22 to 24 GW of coal-based power to be commissioned over Fiscals 2025 to 2029. In addition, 4.5 to 5 GW of nuclear capacities are expected to come onstream over the same period. In Fiscal 2024, Coal plant capacity additions had strong growth, with total addition of 5.2 GW as against addition of 1.5GW in Fiscal 2023. The capacity of 5.2 GW added in Fiscal 2024 came against a targeted capacity of 14.7 GW. CRISIL MI&A Research expects coal capacity additions to range 3.0 to 5.0 GW in Fiscal 2025.

Figure 4: Snapshot of sector-wise conventional capacity additions (Fiscals 2025 to 2029)



F – forecast

Source(s): CRISIL MI&A Research; Note(s): Conventional fuels refer to coal, gas, diesel and nuclear.

By Fiscal 2029, though, capacity additions will be mainly driven by clean energy sources. CRISIL MI&A Research expects 230 to 240 GW of renewable energy additions (including hydro and pump storage projects ("**PSP**") of 15 to 20 GW). This would translate into 85 to 90% penetration of renewables (including hydro and storage components) in capacity addition terms till Fiscal 2029. Within renewables, solar will account for the maximum share in the additions, at approximately 52 to 56%, with total capacity of 117 to 122 GW. A further upside of 37 to 42 GW is expected to arise during the period because of demand for solar through green hydrogen and renewable generation obligations ("**RGO**") of thermal plants. This will cumulatively take the share of solar additions to 65 to 70%. Wind energy will account for 12 to 15% contribution 30 to 35 GW capacity additions. By Fiscal 2032, the solar and wind technologies will have an energy penetration of 35%

Investments in power generation sector

Over Fiscals 2025 to 2029, investments in generation will be led by renewable energy capacity additions, followed by investments in conventional generation and flue gas de-sulphurisation ("**FGD**") installations, indicating a shift in investment flows towards clean energy supply. Capacity addition is expected to be 230 to 240 GW from renewable energy ("**RE**") sources and 22 to 24 GW from coal-based plants over Fiscals 2025 to 2029. Investments in RE capacity will constitute 73 to 78% of overall generation investments over Fiscals 2025 to 2029, up from approximately 56% over Fiscals 2020 to 2024.

Coal-based capacities will account for 22 to 24 GW over Fiscals 2025 to 2029 as coal continues to be the most abundant fuel for power generation, while 4.5 to 5 GW of nuclear capacities will also be added with major capacities from central utilities, Nuclear Power Corporation of India Limited ("**NPCIL**") and Bharatiya Nabhikiya Vidyut Nigam Limited ("**BHAVINI**"), nearing completion.

Pumped storage capacity of 8.5 to 9.5 GW is also expected to be added to the system to compliment high RE penetration for supplying round-the-clock ("**RTC**") power.

Transmission sector in India

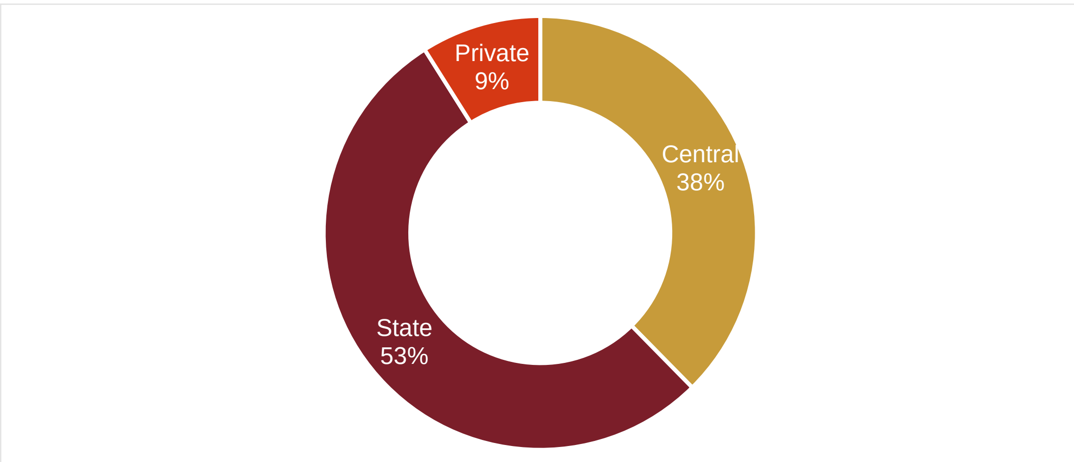
Review of the sector and its outlook in India

A transmission system links the power generation source with the distribution system, which is connected to load/ultimate consumers. These systems are planned and implemented for evacuation of power from generating stations, strengthening the existing transmission network to meet the projected load/demand growth, and ensuring optimum utilisation of distributed generation resources in different regions. In India, a licence is required to operate power transmission infrastructure and it is granted by the commissions for a period of 25 years.

The domestic transmission system has a two-tier structure comprising intra-state transmission ("**InST**") lines and inter-state transmission system ("**ISTS**") lines, in addition to a few dedicated transmission lines.

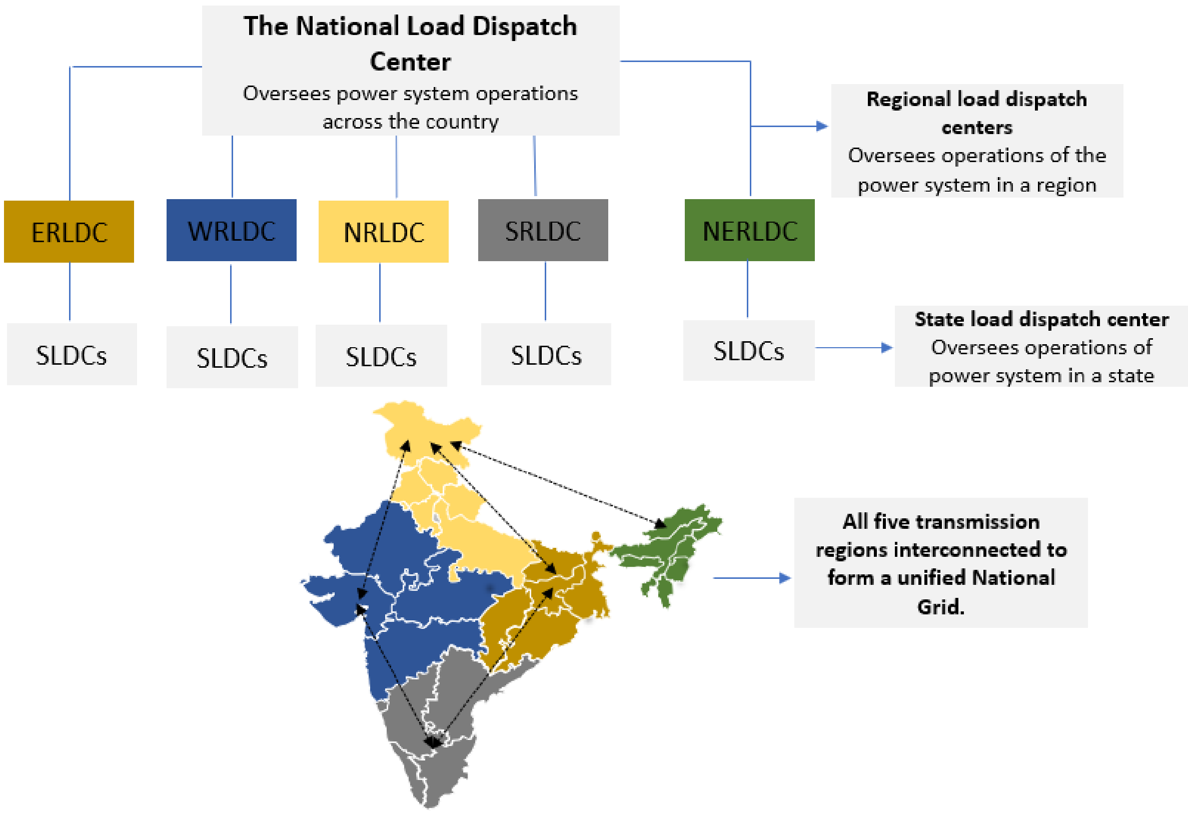
The electricity sector's development in India is the joint responsibility of both central and state governments. Being the central transmission utility, Power Grid Corporation of India Limited ("**PGCIL**") plays a vital role in facilitating the transmission of power from central generating utilities ("**CGUs**"). Currently, as of March 2024, states account for the largest share of the total transmission capacity, at 53%, followed by the central government (38%) and the private sector (9%).

Figure 5: The domestic transmission sector by ownership share



Source(s):CEA, CRISIL MI&A Research;
Note(s): are as of March 2024.

Figure 6: Key stakeholders involved in the transmission sector



Source(s): CRISIL MI&A Research; Notes: ERLDC – Eastern Regional Load Dispatch Center, WRLDC – Western Regional Load Dispatch Center, NRLDC – Northern Regional Load Dispatch Center, SRLDC – Southern Regional Load Dispatch Center, NERLDC – Northeastern Regional Load Dispatch Center.

Several key players play a significant role in operating and managing the domestic transmission infrastructure. The prominent players include the following:

1. **Central Transmission Utility of India Ltd ("CTUIL"):** The company, a wholly owned subsidiary of PGCIL, owns and operates extensive infrastructure, including approximately 177,699 circuit kilometre (ckm) of extra high voltage ("**EHV**") transmission lines and 278 EHV alternating current ("**AC**") and high-voltage direct current ("**HVDC**") substations, with its transformation capacity surpassing 527,446 mega volt ampere ("**MVA**") as of Fiscal 2024. It ensures the development of an efficient, well-coordinated, and cost-effective system of inter-state transmission lines and handles power transmission between states. PGCIL is the largest transmission company in India, responsible for inter-state transmission operations. It manages a wide network of transmission lines and substations, accounting for 38% of total transmission lines in the country. Through advanced operational and maintenance techniques, PGCIL maintained an exceptional availability rate of over 99% in Fiscal 2024.

2. **State transmission utilities:** Every state in India has its own State Electricity Board ("**SEB**") or a power utility responsible for intra-state transmission and distribution. These SEBs are crucial for managing the transmission infrastructure within their respective states. As of March 2024, state-owned utilities account for 53% of the country's overall transmission capacity.

Private transmission companies: They develop transmission lines on a build-own-operate ("**BOO**") model and charge for wheeling electricity within the tariffs specified by the Central Electricity Regulatory Commission ("**CERC**") or the State Electricity Regulatory Commission ("**SERC**"). Several private companies have entered the transmission sector through public-private partnerships or competitive bidding.

Tariff models in India: RTM and TBCB

Since 1998, the Indian transmission sector has been open, as a matter of law, to investment by private domestic and international entities as transmission licensees.

The tariff-based competitive bidding ("**TBCB**") guidelines for transmission services were issued by the GoI under section 61, 62 and 63 of the Electricity Act, 2003 in 2008.

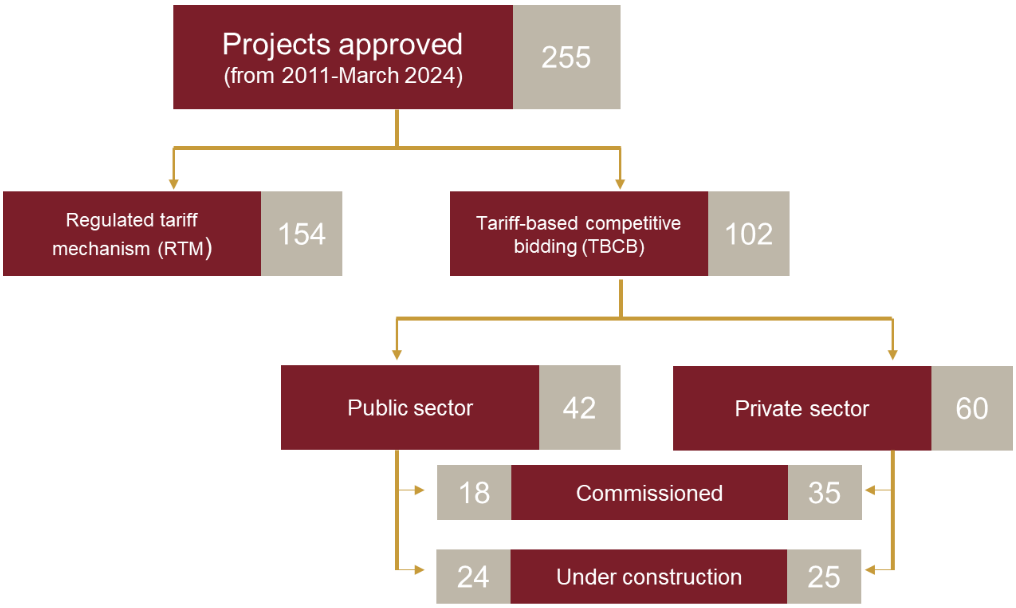
This new approach led to highly favourable outcomes for all participants in the power value chain, especially end-consumers. Before implementation of TBCB, PGCIL was the nodal agency for all inter-regional transmission lines. It used the regulated tariff mechanism ("**RTM**"), which ensured project cost recovery regardless of time or cost overruns.

With the introduction of TBCB, PGCIL had to compete with private sector contenders through bidding based on tariffs for projects. Consequently, the TBCB mechanism has fostered the emergence of new private sector power transmission developers and significantly lowered tariffs, ultimately benefiting end-consumers. As a result, large private sector groups such as Sterlite Power Transmission Limited and AESL have rapidly become prominent independent power transmission companies ("**IPTCs**"), while PGCIL still maintains a substantial presence.

The tariff policy of 2016 highlights that all upcoming inter-state transmission projects should be developed through a competitive bidding process. Nevertheless, the consultation paper on determination of the threshold for transmission projects under the competitive bidding framework suggests that the central government has the authority to grant exemptions to certain projects of strategic significance or those necessary to address urgent situations on a case-by-case basis.

Since 2011, approximately 255 transmission projects have been awarded under RTM and TBCB, with the majority being awarded under RTM.

Figure 7: Projects awarded under RTM and TBCB from 2011 to March 2024



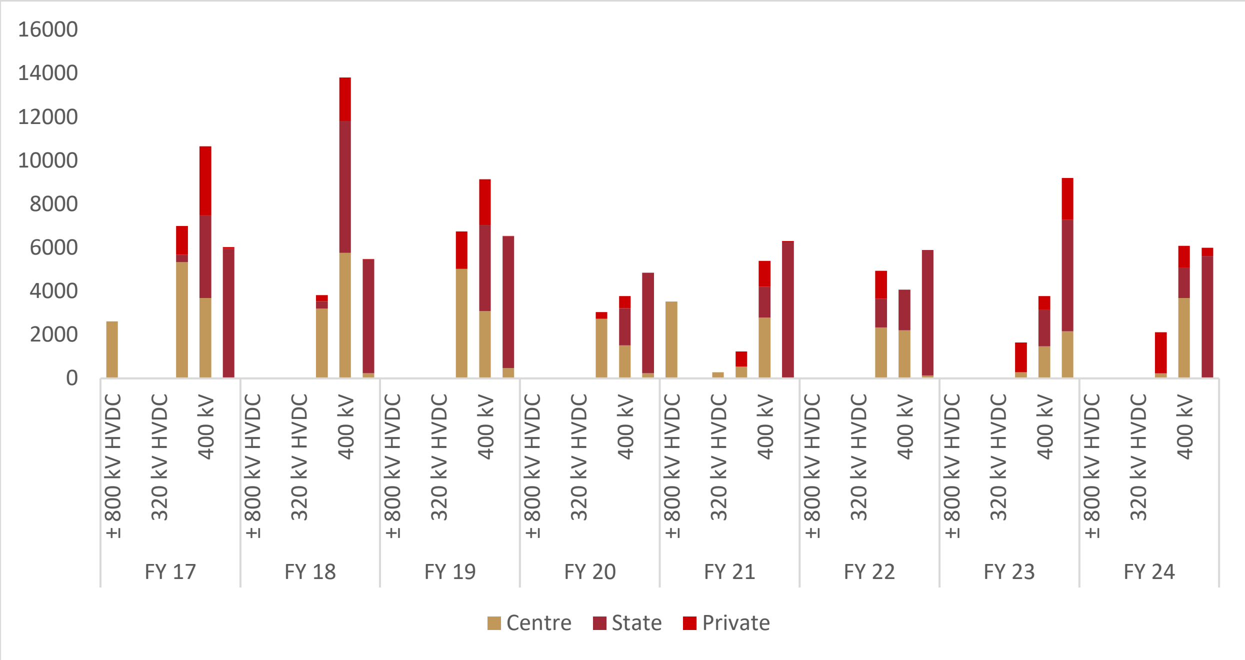
Source(s): CEA, The Energy and Resources Institute ("TERI"), CRISIL MI&A Research; Note(s): The above infographic does not include projects under litigation, cancelled or still waiting for financial closure. This does not include state projects.

Based on the historical performance of numerous projects executed through the TBCB process, Uttarakhand Electricity Regulatory Commission ("**UERC**") noted that competitive bidding resulted in tariff reduction of 20 to 56% compared with RTM. Another advantage of the TBCB development mode is its ability to promote private sector involvement, leading to a reduced burden on government finances. Moreover, this approach facilitates risk sharing with private entities and encourages the adoption of innovative technologies through private participation, among other benefits.

Evolution of the transmission network at different voltage levels

The share of central players in capacity addition fell from 44% in Fiscal 2017 to 27% in Fiscal 2024 due to an increase in the share of private and state players. Additionally, we note that states added nearly 58% of AC capacities during the same period. On the other hand, central agencies have been majorly active on DC side additions. Over Fiscals 2017 to 2024, the 400 kV line witnessed maximum additions at 56,708 ckm, closely followed by 220 kV at 52,901 ckm.

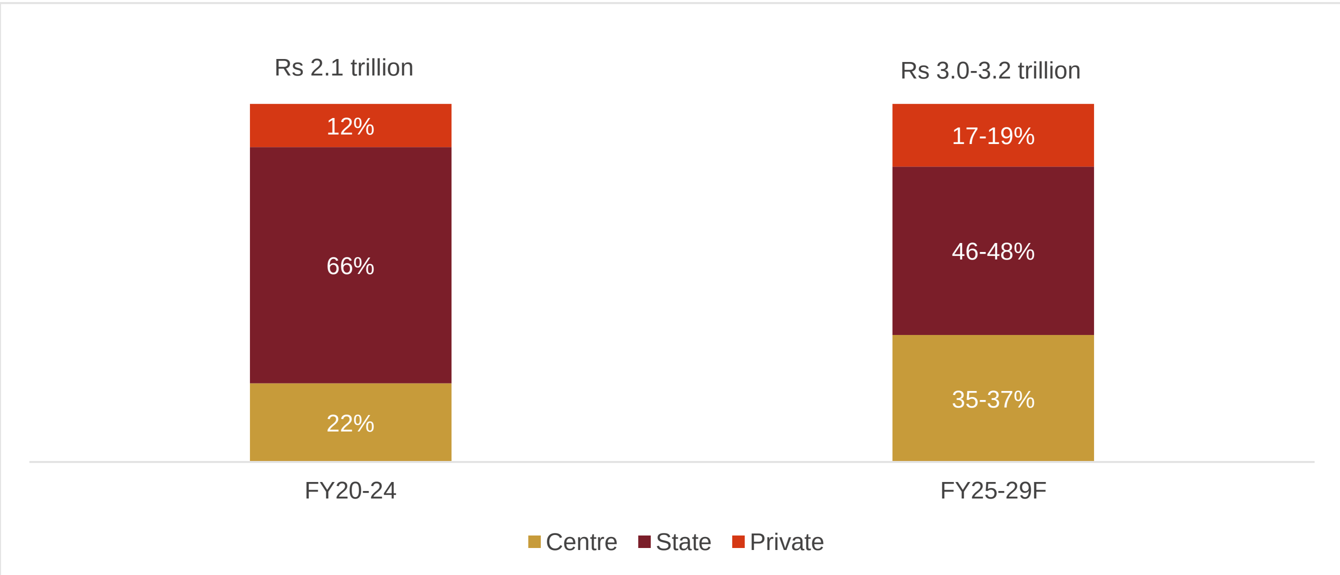
Figure 8: Capacity addition by voltage over Fiscals 2017 to 2024



Source(s): CEA, CRISIL MI&A Research

Transmission investment trends

Figure 9: Review of transmission investments and their outlook



Source(s): CEA, CRISIL MI&A Research; Note(s): Investments of the private sector are estimated by looking at trends in the share of TBCB compared to RTM bids in the past and the potential outlined by the government.

Between Fiscals 2020 and 2024, the Indian transmission sector saw investments of approximately ₹2.1 trillion. Of this, state players held the highest share (66%), followed by central government-run companies (22%) and private players (12%). Between Fiscal 2025 and 2029, we expect investments to increase to ₹3.0 to 3.2 trillion mainly driven by the expansion of renewable energy (“**RE**”) projects, as the government targets to install 500 GW of renewable capacity by 2030. To accommodate the additional RE capacity into the national grid, transmission lines of 123,577 ckm in ISTS and InSTS and substation projects of 722,940 MVA are expected to be added over Fiscals 2022 to 2027.

Of the total investments, the share of the private sector is expected to expand 610 to 620 bps by Fiscal 2029, accounting for 17 to 19%.

Transmission system plan until Fiscal 2032

As per Section 3 of the Electricity Act 2003, the CEA must prepare a National Electricity Plan (Transmission) in accordance with the National Electricity Policy and notify it once in five years. The plan would cover transmission and related aspects.

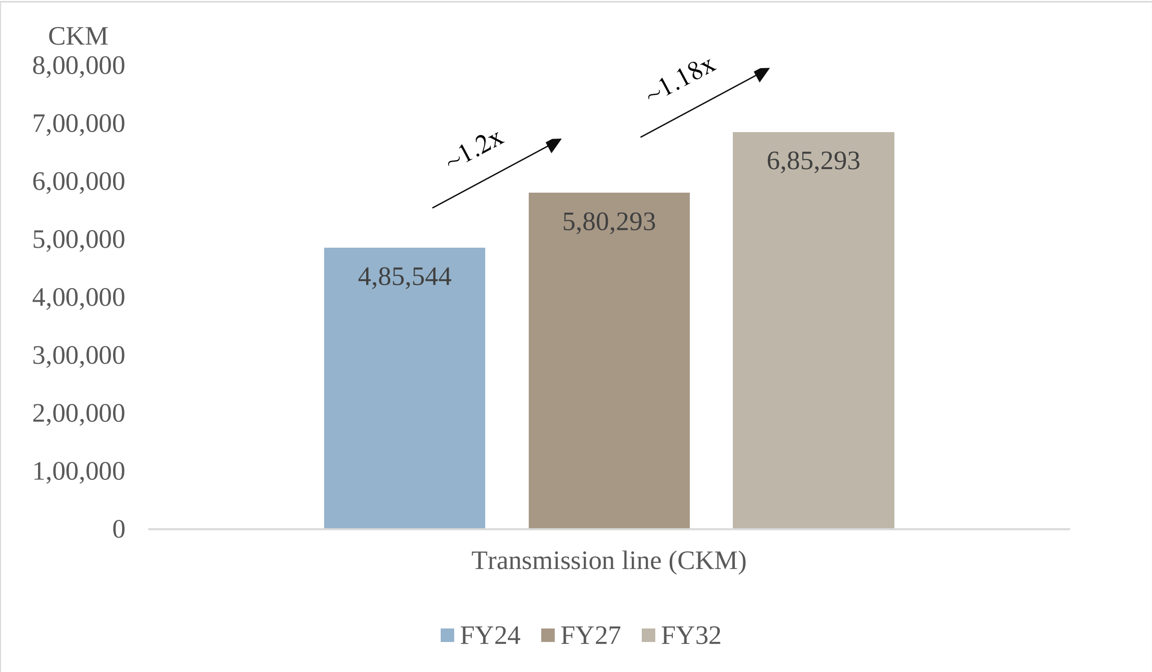
It was estimated that the country would require about 110,281 ckm of transmission lines and about 383,690 MVA of transformation capacity in the substations at 220kV and above voltage levels for the 13th plan period (Fiscals 2017 to 2022). Against this target, 88,865 ckm of transmission lines and 349,685 MVA of transformation capacity were added during the period.

In December 2023, the CEA released the draft National Electricity Plan (Volume II: Transmission) covering the review of development of the transmission system during Fiscals 2017 to 2022 and detailing the plan for Fiscals 2022 to 2027. It also provided some perspective for Fiscals 2027 to 2032.

The plans for these periods have been prepared based on peak electricity demand projections and expected generation capacity addition. Based on the draft National Electricity Plan for transmission as released on December 2023, transmission line capacity is expected to increase approximately 1.2x to 580,293 ckm by Fiscal 2027 from 485,544 ckm in Fiscal 2024.

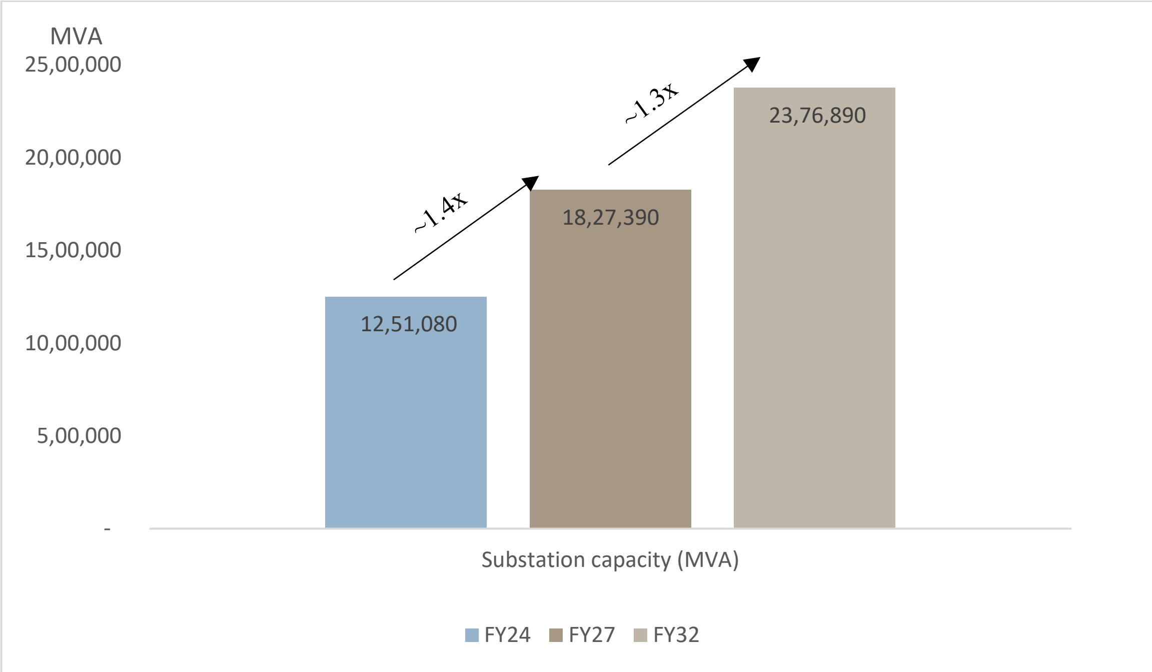
Similarly, transmission line capacity is expected to increase to 685,293 ckm by Fiscal 2032. To aid this growth, substation capacity is expected to increase to 1,827,390 MVA by Fiscal 2027 and by 1.3 times to 2,376,890 MVA by Fiscal 2032.

Figure 10*: Total transmission line capacity outlined as per NEP*



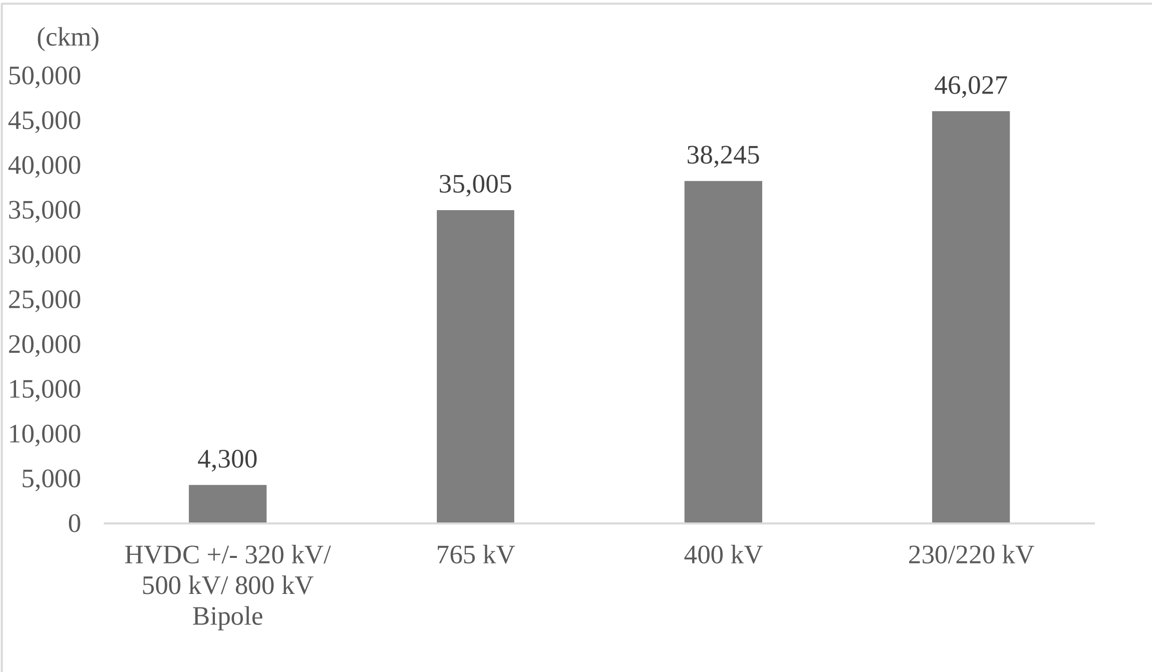
Source(s): CEA, CRISIL MI&A Research

Figure 11: Total transmission substation capacity outlined as per NEP



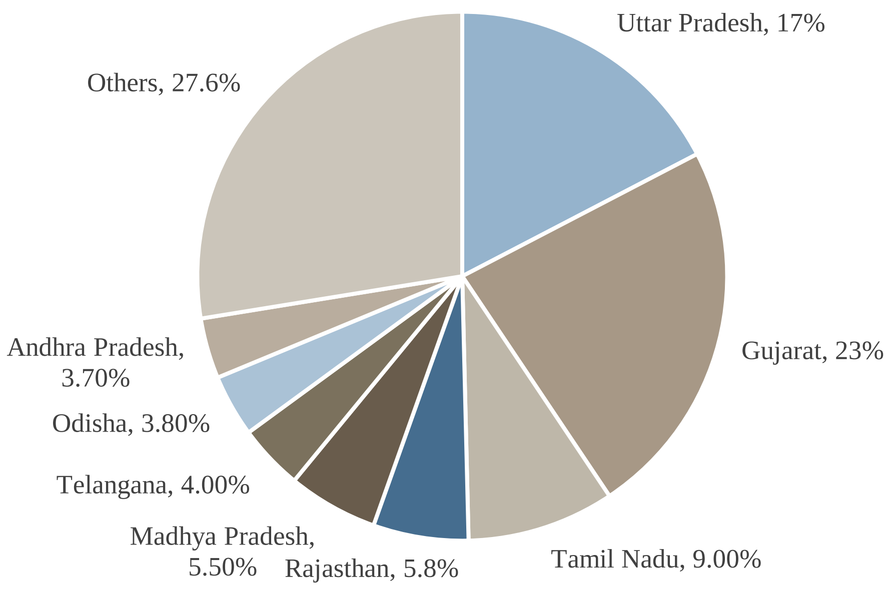
Source(s): CEA, CRISIL MI&A Research

Figure 12: Outlook for voltage-wise line additions for Fiscal 2022 to 2027



Source(s): CEA, CRISIL MI&A Research

Figure 13: Share of states in transmission lines addition over Fiscals 2022 to 2027

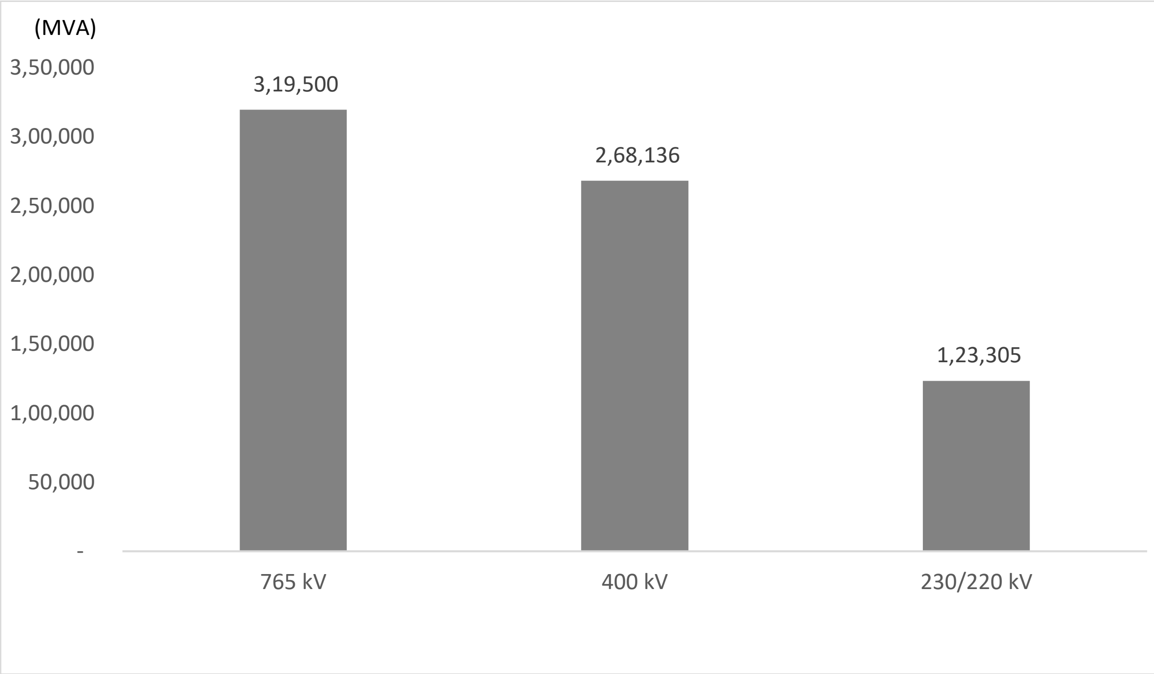


Source(s)*: CEA, CRISIL MI&A Research; Note(s): The data pertains to Inter-state transmission line additions (ckm).*

To achieve the targeted 500 GW RE capacity by 2030, the central government has proposed an additional of 70,445 ckm of transmission lines under InSTS by 2027 on top of the existing 482,032 ckm (as of February 2024). Central government agencies will issue the tenders for these lines and bidding will be open for government-owned (central and state) and private players. The top 10 states (by InSTS transmission line additions) are expected to account for approximately 72% of the transmission line additions by 2027 under InSTS. Gujarat is expected to lead the way with nearly 23% share in expected additions followed by Uttar Pradesh (17%) and Tamil Nadu (9%).

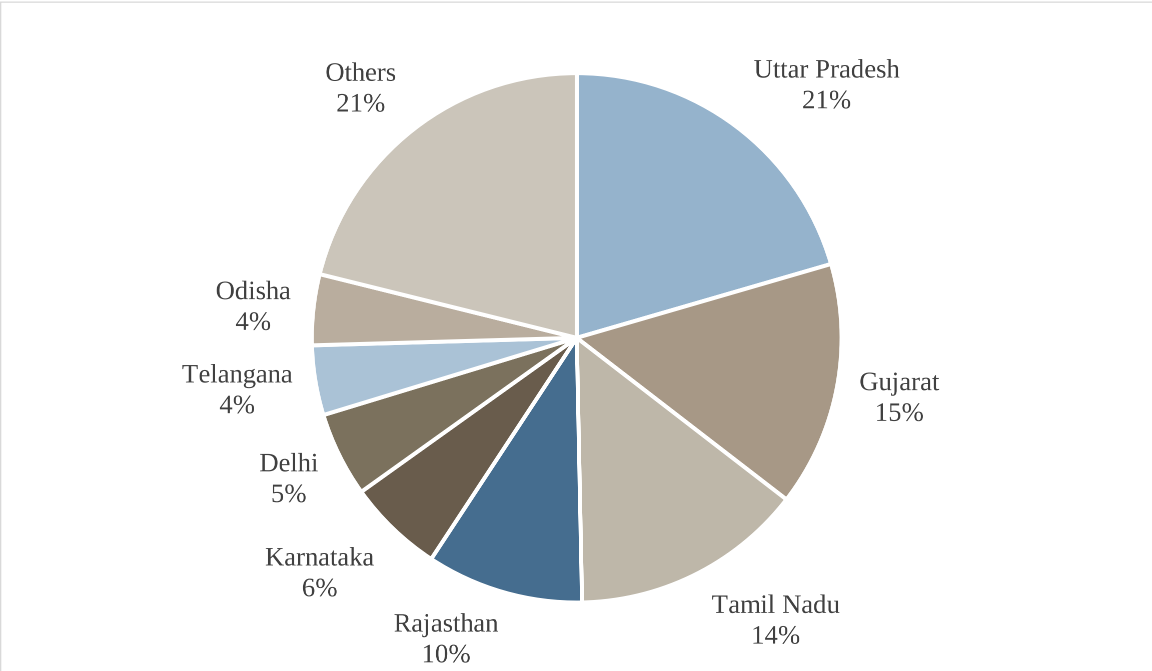
As of March 2024, the total installed substation capacity in the country stood at 1,251,080 MVA against 1,070,950 MVA in Fiscal 2022. As per draft National Electricity Plan for transmission dated December 2023, total substation capacity of 710,940 MVA is expected to be added from Fiscal 2022 till Fiscal 2027.Out of this, 426,675 MVA will be added under ISTS and 284,265 MVA under InSTS. Under, InSTS Uttar Pradesh accounting for the highest share in additions at 21%, most of the additions are expected to take place in 765 kV.

Figure 14: Outlook for voltage wise substation additions for Fiscals 2022 to 2027



Source(s): CEA, CRISIL MI&A Research

Figure 15: Share of top states in substation addition over Fiscal 2022 to 2027



Source(s): CEA, CRISIL MI&A Research; Noes(s) The data pertains to Intra-state substation additions (MVA)

Emerging businesses for utilities

New business opportunities have emerged as co-location power plants, which involve simultaneous electricity generation from multiple sources, such as solar, wind, or battery storage at a single site, enable companies to maximise energy efficiency and grid integration. However, to fully capitalise on the benefits of co-location plants, there is a critical need for robust transmission infrastructure to efficiently transport the combined power output to end-users. Further, to ensure reliable and stable supply of electricity, transmission lines and substations should be upgraded to accommodate the higher capacity and intermittent supply of renewable energy.

As renewable energy gains share in the power generation mix, battery storage plants will play a crucial role in supporting grid stability, renewable energy integration, and peak demand management. As per CEA report, India is expected to see additions of 55 to 60 GW of battery storage capacity by 2030. In this context, a robust and efficient transmission system is essential to facilitate the smooth transfer of stored energy to end-users. Upgrading and expanding transmission lines and substations can enhance grid flexibility, minimise transmission losses, and enable the efficient dispatch of energy from battery storage plants.

Interconnection with neighbouring countries

Being centrally located in the South Asian region and sharing its borders with South Asian Association for Regional Cooperation ("**SAARC**") and Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation ("**BIMSTEC**") countries, namely Nepal, Bhutan, Bangladesh, Sri Lanka, Afghanistan, Pakistan and Myanmar, India has been playing a major role in planning interconnections with many of these countries for effective utilisation of the region's energy resources. India's efforts to enhance cooperation among neighbouring countries through resource sharing will ensure energy security of the entire region. The cumulative power transfer capacity through cross-border interconnections with neighbouring countries is about 4,230 megawatts ("**MW**") currently and would be enhanced to about 7,000 MW by Fiscal 2027.

Revamping the planning process to facilitate renewable energy transmission

The Electricity (Transmission System Planning, Development and Recovery of Inter-State Transmission Charges) Rules 2021 were promulgated to give power sector utilities easier access to the power transmission network across the country. The rules underpin a system of transmission access termed as general network access ("**GNA**") in ISTS, providing flexibility to states as well as generating stations to acquire, hold and transfer transmission capacity as per their requirements. Thus, the rules will bring in rationality, responsibility, and fairness in the process of transmission planning as well as costs. In a major change from the present system of taking transmission access, power plants will not have to specify their target beneficiaries. The rules will also empower state power distribution and transmission companies to determine their transmission requirements and build them. Also, states will be able to purchase electricity through short-term and medium-term contracts and optimise their power purchase costs. Regional power committees (transmission planning) have been dissolved to obviate the need for dual consultation at the regional level in the transmission planning process and expedite the planning and approval process. Terms of reference of the National Committee on Transmission ("**NCT**") have been modified and the Central Transmission Utility ("**CTU**") and the NCT have been delegated powers to approve ISTS up to ₹5 billion to enable faster implementation of the required ISTS system and achieve the RE target of 500 GW by 2030.

Revised standard bidding documents for award of transmission services on a competitive bidding basis

To encourage private sector participation in the transmission sector, the MoP notified "tariff-based competitive bidding ("**TBCB**") guidelines for transmission service" and "guidelines for encouraging competition in development of transmission projects" in April 2006. Subsequently, the ministry notified the standard bidding documents ("**SBDs**") comprising request for qualification, request for proposal and transmission service agreement ("**TSA**") in 2008. As the SBDs and the guidelines were issued a long ago, requests were received to align them with other infrastructure SBDs to attract more private investments in the transmission sector. Based on requests received from stakeholders, SBDs and "TBCB guidelines for transmission service" and "guidelines for encouraging competition in development of transmission projects" were revised and re-issued on August 6, 2021. The major changes in the revised SBD guidelines include a reduction in the equity lock-in period (from earlier 51% for a period of two years from date of commissioning ("**COD**") and 26% for a period of three years thereafter to 51% for a period of one year from COD), signing of TSA by the CTU, provisions for quoting of a single tariff in the bid, changing from a build-own-operate-maintain ("**BOOM**") model to a build-own-operate-transfer ("**BOOT**") model, provision of independent engineers during the construction phase for monitoring, quality assurance and quantification of cost/time related issues, etc. Revised SBDs and guidelines would promote ease of doing business for private developers in the transmission sector, address concerns of developers on risk sharing, encourage competition in transmission, and facilitate timely completion of transmission lines. All these provisions would bring in more private investments in the transmission sector.

Electricity Act and its impact and open access in transmission

Under the Electricity Act, 2003, open access means the non-discriminatory provision of transmission lines or the distribution system for use by any licensee or consumer, or a person engaged in generation in accordance with the regulations specified by the regulatory commission.

The act also has specific functions pre-defined for both CTU, STUs and any transmission licensee and one of them must provide non-discriminatory open access to its transmission system for use by:

- Any licensee or generating company on payment of transmission charges.
- Any consumer as and when such open access is provided by the State Commission on payment of transmission charges.

Tariff regulations for transmission lines

Section 62 of the Electricity Act, 2003 enables regulatory commissions to determine the tariff of a transmission system. The act also empowers the commissions to make specific regulations consistent with the Act. Subsequently, CERC notified tariff regulations which delineate all terms and conditions for determination of transmission tariff.

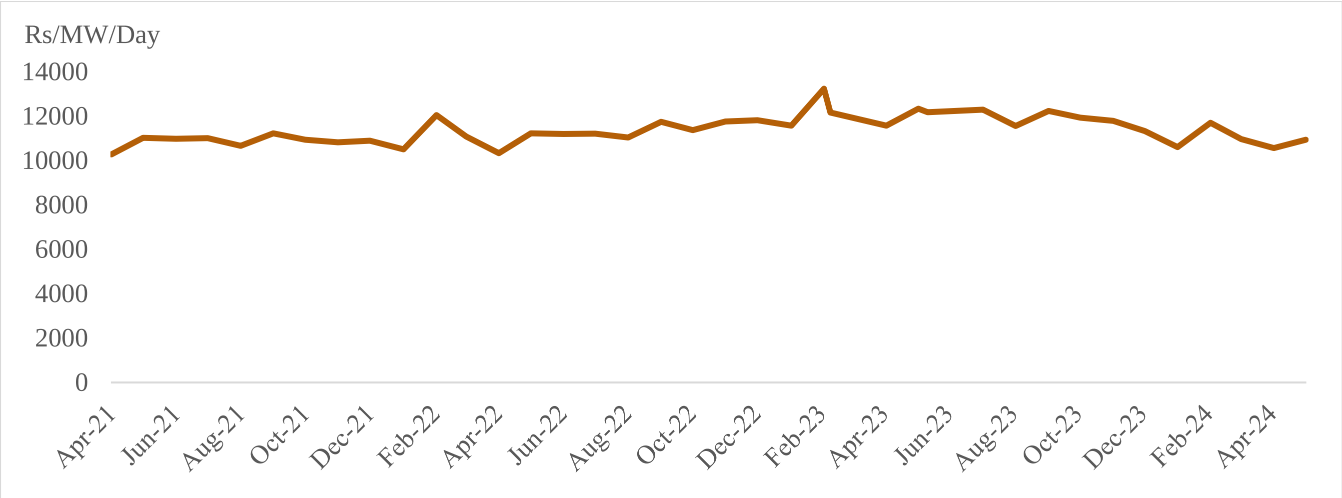
The regulations determine the tariff based on the capital cost of the transmission project and the debt-equity structure. The project cost is then recovered based on five parameters:

- Return on equity
- Interest on debt
- Interest on working capital
- Operation and maintenance expenses
- Depreciation

Based on these parameters, annual fixed charges calculated for the transmission asset are paid to the licensee.

Transmission charges: Overview and trends

Figure 16: ISTS charges in Rs/MW/day



Source(s): POSOCO, CRISIL MI&A Research

The annual transmission charges ("**ATC**") computed are the total aggregate revenue requirement of the state transmission utility ("**STU**") or transmission licensee. The ATC of STU or transmission license is divided between the beneficiaries of the transmission system monthly based on the allotted transmission capacity or contracted capacity or certain parameters of peak demand or energy wheeled, depending on state to state.

Table 1: State-wise transmission charges for Fiscals 2022 to 2024

LTA charges (Rs/MW/Day)	Fiscal 2022	Fiscal 2023	Fiscal 2024
Gujarat	4,252	4,048	4,113
Karnataka	5,051	5,434	5,459
Andhra Pradesh	5,151	5,793	6,279
Bihar	6,406	5,506	5,156
Telangana	3,723	4,315	4,838
Rajasthan	5,003	5,124	5,878
Maharashtra	8,767	8,667	10,440
Tamil Nadu	3,037	5,159	5,366
Madhya Pradesh	4,845	4,791	4,687

Source(s): CRISIL MI&A Research

Key risks for the transmission segment

Exposure of intra-state projects to state distribution utilities

The counterparty credit risks arise from the exposure to state utilities. The credit profile of most utilities in India remains moderate to weak owing to the delays in issuing tariff orders, weak operating efficiencies, and inadequate tariffs in relation to the cost of supply.

Payment based on availability of the transmission system

Inter-state power transmission projects receive transmission charges based on transmission system availability, irrespective of the quantum of power transmitted through the system. Availability is calculated according to the terms incorporated in the TSAs, which are based on the provisions of CERC tariff regulations.

The TSAs provide specific guidance on the calculation of availability and consider the elements in the transmission system (including transmission lines and substations) as well as the reason for any outages, with force majeure outages excluded from such calculation. If a line's availability falls below 95%, the projects are subject to a penalty computed in accordance with the formula specified in TSAs, which shall be apportioned in the ratio of transmission charges paid or payable by the respective customers at the end of the relevant contract year.

Reasons for poor availability could be:

- Failure to obtain, maintain or renew permits and licenses or meet any conditions specified therein.
- Operator error, improper installation or mishandling of equipment.
- Breakdown or failure of power transmission systems
- Flaws in equipment design or construction of power lines or substations
- Work stoppages or labour disturbances or disputes
- Performance of equipment below expected levels of output or efficiency.
- Environmental issues affecting the operations of transmission systems.
- Planned or unplanned power outages
- Theft of equipment and line material
- Claims on completed projects and litigations, proceedings, judgments, or awards arising therefrom.
- Force majeure and catastrophic events, including fires, explosions, landslides, storms, floods, social unrest, earthquakes.
- Terrorist acts and pandemics to the extent such events are not excluded from the calculation of availability under TSA.

Right of way

Transmission project delays are typically due to the time taken to acquire private land and right-of-way for transmission lines. Most cases are disputes related to land valuation or the loss of cropland under tower foundations.

Private sector participation in transmission

Notable private players include AESL, Sterlite Power Transmission Limited, and Tata Power Limited. AESL leads the private sector, owning 41.5% of the private operational transmission capacity (41,998 ckm) as of Fiscal 2024.

Table 2: Key players in the segment (as of March 2023)

Key players	Ownership	Transmission lines (in ckm)	Share in total (%)
PGCIL	Centre	1,74,113	38%
Gujarat Energy Transmission Corporation	State	73,053	16%
Uttar Pradesh Power Transmission Corporation	State	53,402	12%
Maharashtra State Electricity Transmission Company	State	50,631	11%
Rajasthan Rajya Vidyut Prasaran Nigam	State	42,302	9%
Tamil Nadu Transmission Corporation	State	37,056	8%
Adani Transmission Limited	Private	15,371	3%
Sterlite Power Transmission Limited	Private	10,143	2%
Tata Power Limited	Private	4,194	1%
Total		**4,60,265**	**100%**

Source(s): CRISIL MI&A Research; Note(s): All data above is as per company filings and disclosures for Fiscal 2023.

Distribution sector in India

Overview and outlook

Distribution utilities play a crucial role in India's power sector by ensuring reliable and efficient supply of electricity to end-consumers.

In India, the distribution sector has undergone vertical unbundling, separating the functions of generation and transmission and distribution ("**T&D**"). However, the degree of practical unbundling varies across states. Gujarat, for instance, has successfully implemented unbundling to improve the performance of distribution companies ("**discoms**"), while few states are way behind.

Most discoms in India are state-owned. Private distribution licensees serve only approximately 7% of the country's power requirement.

The Electricity Act of 2003 in India includes provisions for the establishment of parallel licensees, which refer to multiple providers of electricity supply and distribution services operating competitively within the same region. The authority to approve parallel licences lies with the SERCs.

Parallel licensing was introduced to drive retail competition in the power distribution segment under the Electricity Act of 2003 which led to active participation of private players in the distribution sector. Private players have demonstrated efficiency in investments, reducing aggregate AT&C losses and meeting local electricity demand. For instance, in Delhi, where power distribution was taken over by three private licensees, AT&C losses decreased from 55% in Fiscal 2002 to approximately 9% in Fiscal 2021.

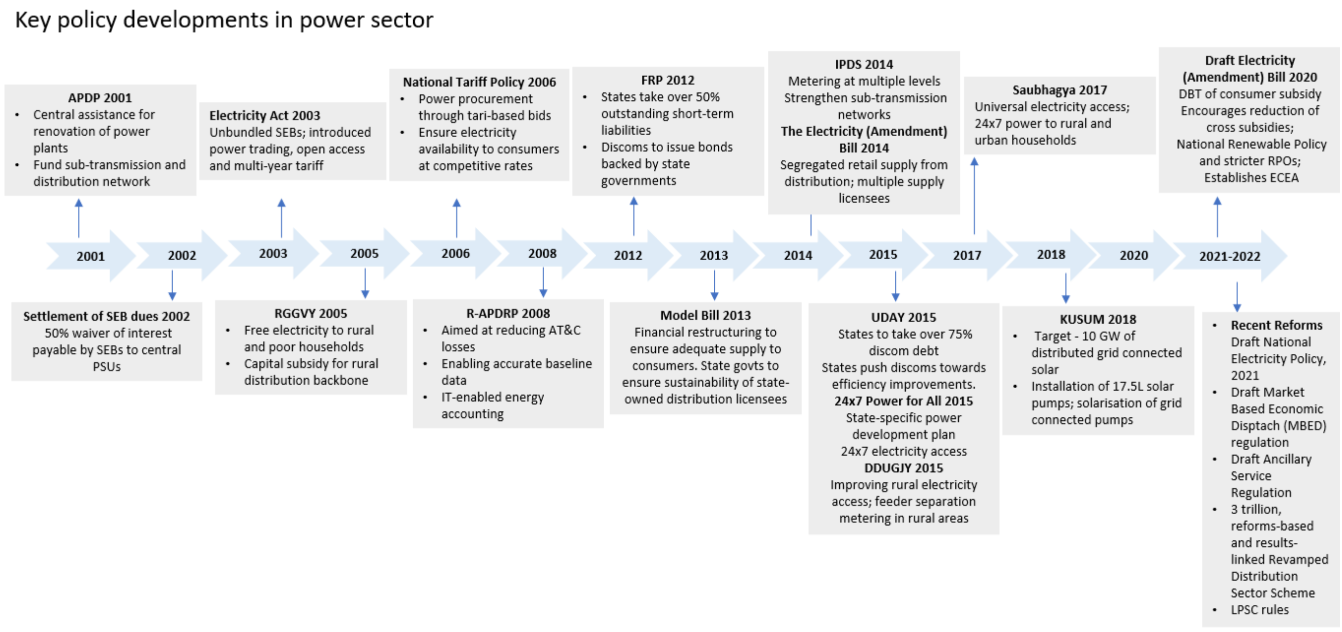
Private participation in the distribution business can occur through two models: distribution licence and distribution franchise. Private parties have ownership or equity in the distribution grid assets under the licence model but no ownership under the franchise model.

The distribution sector has faced persistently high AT&C losses, averaging over 20% between Fiscals 2011 and 2021. AT&C losses indicate the amount of power lost during T&D. The implementation of the Ujwal DISCOM Assurance Yojana("**UDAY**") scheme resulted in a reduction in AT&C losses and the average cost of supply-average revenue realised ("**ACS-ARR**") gap to approximately 21.6% and ₹0.47 per kWh (ACS-ARR gap are inclusive of UDAY grants and regulatory income), respectively, by the end of Fiscal 2019. However, after UDAY, discoms' financials deteriorated, with AT&C losses and the ACS-ARR gap increasing to approximately 22.3% and ₹0.55 per unit, respectively, by March 2021.

Nevertheless, the GoI's continued efforts to revive the sector have led to a decline in AT&C losses – from 27% in Fiscal 2011 to 15.4% in Fiscal 2023. As a result, the ACS-ARR gap decreased from ₹0.53 per kWh in Fiscal 2021 to ₹0.30 per kWh in Fiscal 2023. Improved subsidy disbursal by state governments and better customer collections by discoms, as reflected in the improved collection efficiency of 97.3% in Fiscal 2023, further contributed to this reduction. Several output-linked schemes initiated by the government also played a role.

The GoI has implemented major reforms to address the persisting issues, including RDSS, Late Payment Surcharge ("**LPS**") rules, additional prudential norms for lending by financial institutions, National Smart Grid Mission, and mandatory energy accounting and auditing. While these programmes have revitalised the sector, larger legacy issues will require more time and interventions to resolve.

Figure 17: Timeline of policies in distribution sector



Source(s): Ministry of Power ("MoP"), CEA, CRISIL MI&A Research

The introduction of the LPS rules in June 2022 brought the much-needed discipline to the distribution sector. In August 2022, 13 states were barred from buying and selling on power exchange platforms due to non-payment of dues by discoms. The total overdue amount of power discoms to power generation companies decreased 43.7% to ₹626 billion as on April 30, 2024, since the implementation the LPS rules, from ₹1,113 billion in June 2022. The implementation of the LPS rules has improved the recovery of outstanding dues and encouraged timely payment by discoms.

To improve operational efficiencies and financial sustainability, the Government of India approved the RDSS. This scheme provides result-linked financial assistance to discoms to strengthen supply infrastructure based on meeting pre-qualifying criteria and achieving basic minimum benchmarks. With an outlay of ₹3.03 trillion over Fiscals 2022 to 2026, including estimated government budgetary support ("**GBS**") of ₹0.976 trillion, the scheme aims to reduce AT&C losses to the pan-India level of 12 to 15% and bring the ACS-ARR gap to zero by Fiscal 2025.

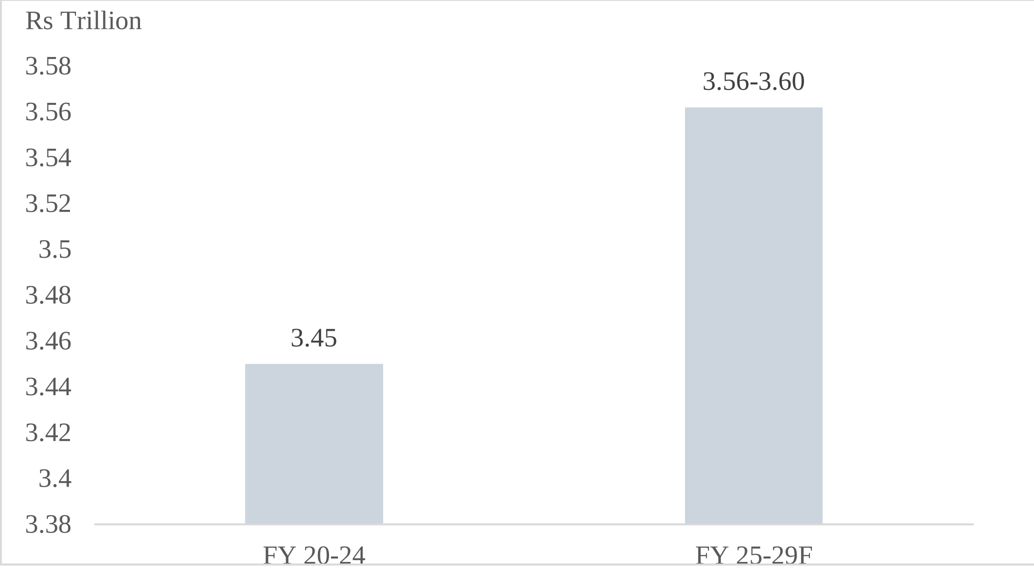
Distribution investments include creation of distribution infrastructure which, inter-alia, includes works taken under the following:

1. Electrification of unelectrified villages, hamlets, or area with an objective to make electricity available to all within the area of supply.
2. Supply of electricity for agricultural pump sets or community lift irrigation schemes.
3. Reduction of sub-T&D system losses, which will comprise:
   a. Creation of new 33KV and 11KV substations near the load centre
   b. Reduction in the ratio of length of low voltage lines to high voltage lines, including low tension-less system. The desirable ratio of low voltage lines to high voltage lines would be as specified by the respective regulatory commission.
   c. Adoption of aerial bunched conductors
   d. Capacitor installation
   e. Change of conductor or double circuiting of lines
4. System strengthening of the sub-transmission system to effect improvement in:
   a. Voltage regulation at the existing or envisaged load demand
   b. Reliability of the system to reduce outage time and to cater to outage of the line and/or transformer.

5. System augmentation schemes: Addition of transformation capacity at substations to match the envisaged loading condition.

System improvement: To provide switchgear, control gear and protection to reduce fatal accidents and the failure rate of transformers.

Figure 18 Distribution investments from Fiscal 2020 to 2024 and 2025F to 2029F



Source(s): CRISIL MI&A Research

CRISIL MI&A Research expects investments to increase by 3 to 4% to ₹3.56 to ₹3.60 trillion during Fiscals 2025 to 2029, because of RDSS along with other key schemes. For instance, Rajasthan discoms are expected to invest in the rural electrification scheme responsible for implementing domestic connections in rural areas along with energisation of irrigation wells. Similarly, development and improvement schemes of the distribution network form a major part of discoms in Gujarat.

Under RDSS, loss reduction works will include armoured cabling, high voltage distribution system, AB cables, reconductoring, feeder bifurcation, feeder segregation, information technology/operational technology ("**IT/OT**") related works, including enterprise resource planning ("**ERP**") and billing software, etc.

Of the total outlay of ₹3.03 trillion under RDSS over Fiscals 2022 to 2026, the government has promised GBS of ₹9.7 trillion. Of this, ₹2.8 trillion has been budgeted cumulatively till Fiscal 2025. This corresponds to 29% of overall funding requirement from the central government, suggesting that funding requirement in the next budget increase significantly.

Table 3: Total sanctioned cost of approximately ₹2.5 trillion allocated for loss reduction and smart metering under RDSS

State	Smart meter (₹billion)	Loss reduction (₹billion)
Andaman & Nicobar Islands	0.54	4.52
Andhra Pradesh	41.28	92.93
Arunachal Pradesh	1.84	9.23
Assam	40.50	26.09
Bihar	20.21	70.81
Chhattisgarh	41.05	35.98
Delhi	0.12	3.24
Goa	4.69	2.47
Gujarat	106.42	60.21
Haryana	0	31.58
Himachal Pradesh	17.88	22.81
J&K	10.64	46.36
Jharkhand	8.58	32.62
Kerala	82.31	23.47
Ladakh	0	8.76

State	Smart meter (₹billion)	Loss reduction (₹billion)
Madhya Pradesh	87.69	94.03
Maharashtra	152.15	141.58
Manipur	1.21	4.01
Meghalaya	3.10	7.96
Mizoram	1.82	2.37
Nagaland	2.08	3.91
Puducherry	2.51	0.84
Punjab	57.69	38.73
Rajasthan	97.15	93.71
Sikkim	0.97	3.98
Tamil Nadu	192.35	90.66
Tripura	3.19	4.85
UP	189.56	170.90
Uttarakhand	10.51	16.83
West Bengal	126.70	72.23
Total	**1,304.74**	**1,217.78**

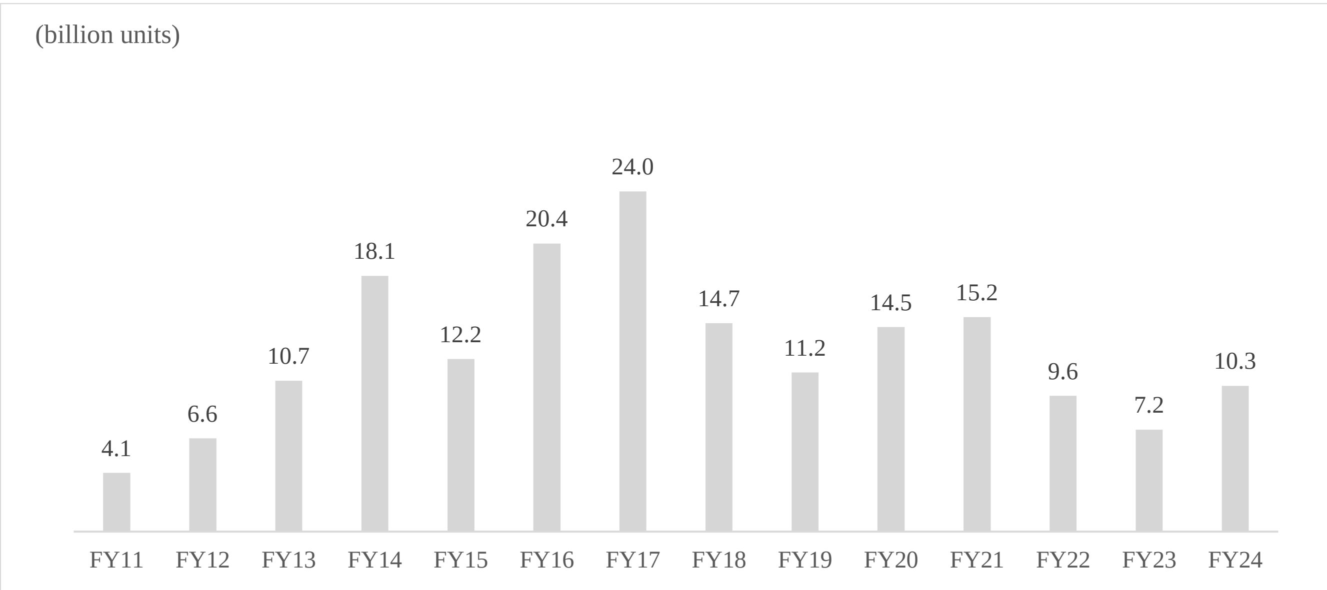
Source(s): CRISIL MI&A Research

Open access: Key monitorable for the distribution sector

Open access allows consumers to freely choose their electricity supplier within a competitive and non-discriminatory framework. It provides larger industrial and commercial users the flexibility to purchase electricity directly from their preferred generator or supplier, instead of relying on the local distribution utility. Originally, open access was intended for consumers with loads greater than 1 MW by January 2009.The Green Open Access rules of 2022 allow consumers to choose Green Open Access, with the threshold for open access transactions reduced from 1 MW to 100 kW, specifically for green energy. This modification enables even small consumers to obtain renewable power through open access.

Open access has gained popularity in India owing to the range of exemptions and incentives provided by states to encourage its development. For instance, Karnataka offered waivers on T&D, cross-subsidy surcharges, and banking for 10 years to solar projects commissioned by March 2018, resulting in a significant increase in solar open access capacity additions in the state.

Figure 19: Open access volume on power exchanges



Source(s): CEA, CRISIL MI&A Research

However, Karnataka withdrew all open access incentives for solar projects and proposed a retrospective levy of 25% T&D charges for projects commissioned in Fiscal 2018. Similar instances are arising as state discoms implement restrictive policy measures to discourage high-paying commercial and industrial (“**C&I**”) consumers from migrating to open access.

When a C&I consumer migrates to open access, the distribution utility suffers loss of revenue from that consumer. Since the tariffs for C&I consumers are generally higher than those for domestic or agricultural consumers, discoms are more significantly impacted when a C&I consumer migrates to open access. Consumer migration to open access results in surplus power from power purchase agreements ("**PPAs**") or power procurement obligations from generating stations. The discom has the option to either curtail the surplus power or reallocate it to underserved consumers within the state, such as domestic and agricultural consumers. However, this can lead to stranded capacity, where excess power is not fully utilised or efficiently distributed.

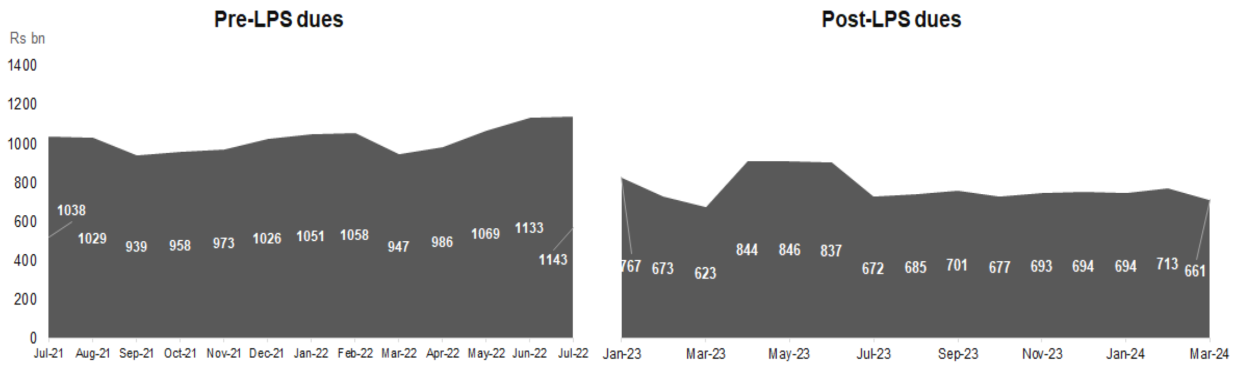
In recent times, numerous states have introduced policy measures to discourage the migration of high-paying C&I consumers to open access. These measures include imposing high open access charges such as cross-subsidy surcharges and additional surcharges, which significantly increases the landed cost for consumers. Consequently, the economic feasibility of adopting open access is diminished, thereby impeding the growth of open access in the power sector.

In Karnataka, the cross-subsidy surcharge for industrial consumers has been pegged at ₹1.95 to ₹2.08/kWh for Fiscal 2025. However, Bangalore electricity supply company limited ("**BESCOM**"), a state utility within Karnataka, has significantly decreased the additional surcharge from ₹2.15/unit in Fiscal 2023 to ₹1.37/kWh in Fiscal 2025. In Maharashtra, additional surcharge increased approximately 9% from ₹1.27/unit in Fiscal 2023 to ₹1.39/unit in Fiscal 2025, and the Cross-Subsidy Surcharge ("**CSS")** for industrial consumers increased a marginal approximately 2% from ₹1.76/unit to ₹1.79/unit. Similarly, in Tamil Nadu, the CSS for commercial consumers rose 10% to ₹2.57/unit, and for industrial consumers, 7.3% to ₹1.92/unit.

Dues of discoms: Trends and current status

The MoP introduced LPS rules on June 3, 2022, to tackle the problem of non-payment of generator dues by discoms. The rules enable Power System Operation Corporation Ltd ("**POSOCO**") to penalise discoms for non-payment of current dues and overdue by blocking their access to the short-term energy market.

Figure 20: Outstanding dues of discoms



Source(s): PRAAPTI

Discom dues have declined approximately 44% as on April 30, 2024, to ₹626 billion vis-a-vis the pre-LPS period of June 2022 (₹1,133 billion).

Smart meters

The Central Electricity Authority of India notified Installation and Operation of Meters (Amendment) Regulations, 2019, on December 23, 2019. Further amendments to this were announced with the Installation and Operation of Meters (Amendment) Regulations, 2022, on February 28, 2022. These amendments stipulated that all new consumer meters would be smart meters with prepayment feature. Further, existing meters, other than smart meters, were to be replaced with smart meters with a prepayment feature within a time frame as specified by the central government.

The Ministry of Power of India notified the timelines for installation of smart meters vide its Gazette notifications dated August 17, 2021, and May 23, 2022. The amendment has mandated the installation in phases (as per timelines stipulated under the RDSS scheme) for all discoms irrespective of their participation in the RDSS scheme.

State wise smart meter investment and installation plan

As per RDSS guidelines, implementation of smart meters would be taken up in mission mode in identified contiguous areas. The guidelines state that installation would be taken up in two phases.

The first phase was to be completed by December 2023, where the following areas will be taken up on priority:

- All Union Territories
- All electricity divisions of 500 Atal Mission for Rejuvenation and Urban Transformation(“**AMRUT**”) cities, with AT&C losses greater than 15% in the base year.
- Industrial and commercial consumers.
- All government offices at block level and above; and
- Other areas with high losses, which would mandatorily include electricity divisions having more than 50% consumers in urban areas and with AT&C losses more than 15% and other electricity divisions with more than 25% AT&C losses.

However, the implementation of the first phase of the scheme is delayed.
The second phase is to be completed by March 2025 and will include consumers in electricity divisions with more than 50% consumers in urban areas and with AT&C losses of 15% or less; and other electricity divisions with AT&C losses of 25% or less.

Under the RDSS, states have been sanctioned an amount for smart metering works as shown below:

Table 4- State-wise sanctioned amount for smart meter under RDSS as of December 2023

State	Sanctioned cost of smart metering (₹ billion)	No of sanctioned smart meters (million)
Arunachal Pradesh	1.84	0.3
Andhra Pradesh	41.28	5.7
Assam	40.50	6.4
Bihar	20.21	2.4
Chhattisgarh	41.05	6.0
Goa	4.69	0.7
Gujarat	106.42	16.5
Haryana	-	-
Himachal Pradesh	17.88	2.8
J&K	10.64	1.5
Kerala	82.31	13.2
Madhya Pradesh	87.69	12.9
Maharashtra	152.15	23.5
Manipur	1.21	0.2
Meghalaya	3.10	0.5
Mizoram	1.82	0.3
Nagaland	2.08	0.3
Puducherry	2.51	0.4
Punjab	57.69	8.7
Rajasthan	97.15	14.2
Sikkim	0.97	0.1
Tamil Nadu	192.35	30
Tripura	3.19	0.5
UP	189.56	26.9
Uttarakhand	10.51	1.6
West Bengal	126.70	20.7

Source(s): CRISIL MI&A Research

While the guidelines have a clear timeline for installation of smart meters, execution will likely spill over to subsequent Fiscals. We expect an investment of ₹400 to ₹450 billion for installation of a total of 140 to 150 million smart meters in the country over Fiscals 2024 to 2028. Uttar Pradesh, Bihar, and Maharashtra will lead investment with 16%, 13% and 10% share, respectively.

Table 5: Smart meter installation trajectory

	FY24E	FY25F	FY26F	FY27F	FY28F
Smart meter additions (million)	3.9	17.5	29.9	41	48.1

Source(s): CRISIL MI&A Research

Table 6: Smart meter investment trajectory

	FY24E	FY25F	FY26F	FY27F	FY28F
Investments under smart meter (₹ billion)	10.99	42.22	79.60	126.63	172.58

Source(s): CRISIL MI&A Research

Table 7: Top 10 states to see investment of ₹280 to 300 billion for smart meter installation by Fiscal 2028

State	Investments FY24 to FY28P (in ₹billion)
Uttar Pradesh	65 to 70
Bihar	53 to 58
Maharashtra	40 to 45
Rajasthan	27 to 32
Gujarat	21 to 26
Madhya Pradesh	21 to 26
Tamil Nadu	19 to 24
Andhra Pradesh	13 to 18
Karnataka	5 to 10
Telangana	2 to 7
Total	**280 to 300**

Source(s): CRISIL MI&A Research

The top 10 states are expected to add 95 to 100 million smart meters between Fiscals 2024 and 2028 with an investment of ₹280 to ₹300 billion. The additions will be driven by the central RDSS to reduce high inefficiencies. Therefore, a part of the investment requirement will also flow through central grants under the RDSS to ease the financial burden on discoms (distribution companies).

AESL's position in the power transmission space remains strong

AESL (Adani Energy Solutions Limited) forms part of the Adani portfolio, which is among India's top business houses. Its interests span transport and logistics (seaports, airports, logistics, shipping, road transport and rail), energy and utilities (power generation, transmission and distribution, renewable energy, gas, datacentres), primary industries, (including natural resources, mining services, copper, petrochemicals and direct to consumer, edible oil, food products, digital), real estate, defence, and aerospace.

Adani's involvement in the transmission sector dates to 2006, even before the formal establishment of AESL. Initially, the focus was on constructing dedicated transmission lines to evacuate power from Adani's Mundra and Tiroda power plants. These lines, spanning over 3,800 ckm and 1,200 ckm, respectively, connected various locations for effective power evacuation. The Mundra-Mohindergarh Transmission Project was the first +/ 500 kV bipolar HVDC transmission asset set up by a private company, Adani, in India.

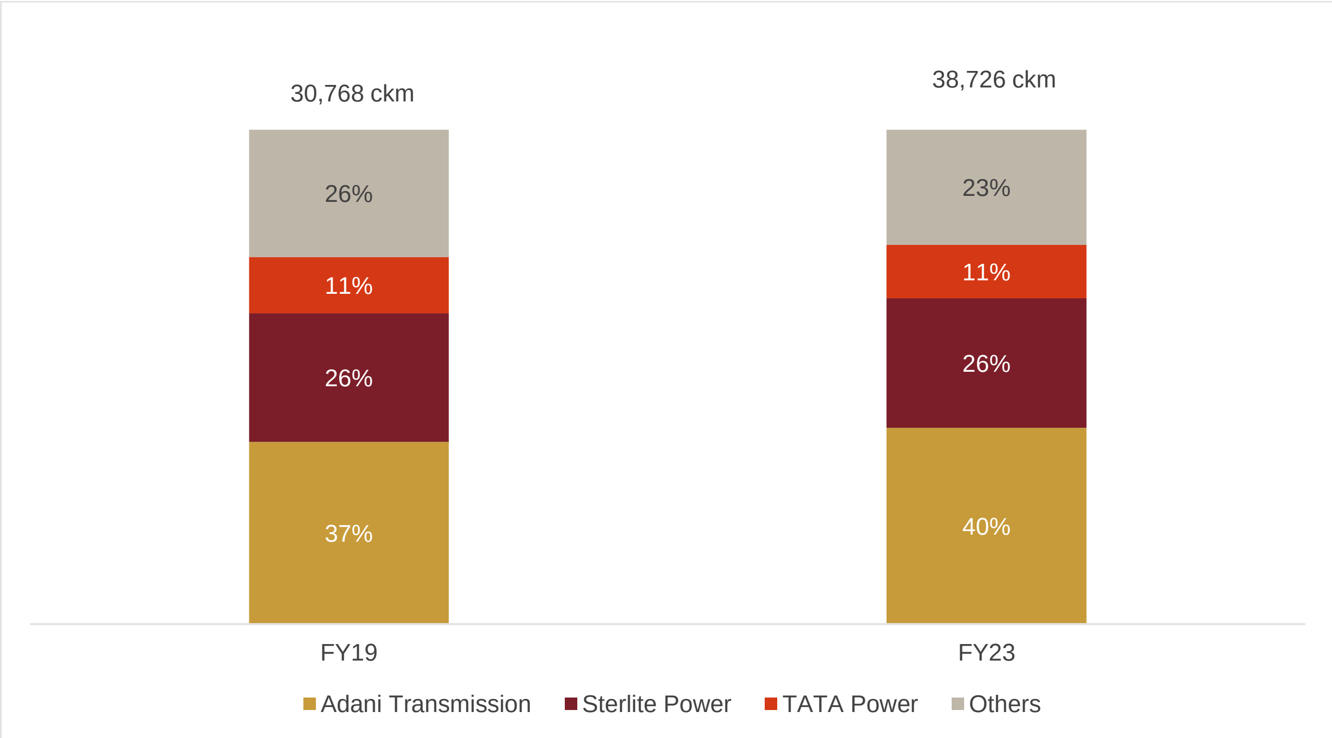
Recognising the immense business potential in the transmission sector, AESL was established as a separate entity in 2015, emerging from Adani Enterprises Ltd. AESL pursued strategic growth by seizing inorganic opportunities and acquiring transmission assets from GMR Energy Limited, Reliance Infrastructure Limited and KEC International Limited in different regions of India.

The surge in electricity demand, expected renewable energy growth, the need for additional transmission and distribution infrastructure and competitive bidding are all areas which offer substantial opportunities for AESL.

India had a total route length of 4,85,544 ckm as of March 2024. PGCIL held the largest share at approximately 37.8% as a single entity in Fiscal 2023. States accounted for another 55.7%, while private capacities made up around 6.5%. Notably, the market share of private capacities has increased from 4.4% in Fiscal 2014 to 8.6% in Fiscal 2024, with the share of private players in TBCB projects commissioned till April 2024 remaining as high as 66%. AESL won approximately 17% of projects under TBCB, emerging as the winner in 17 out of total 102 projects bid out (completed and under construction only).

The private transmission capacity grew to 38,726 route ckm as of Fiscal 2023 from 30,768 route ckm in Fiscal 2019, at a 5.9% CAGR. Within the private transmission capacity, the share of the top three players (AESL, Sterlite Power Transmission Limited, Tata Power Limited) also expanded from 74% in Fiscal 2019 to 77% in Fiscal 2023.

Figure 23: AESL leads the race in private additions



Sources: Company reports, CEA, CRISIL MI&A Research; Note(s): All ckm mentioned are route ckm. Private transmission capacity considered above refers to CEA disclosure under the category labelled JV/private.

AESL, which held a 37% market share in the private transmission segment as of Fiscal 2019, continued to lead the market in Fiscal 2023, reaching a share of 40%. The company added 4,032 ckm of transmission line capacity between Fiscal 2019 and 2023, vis-a-vis 2,152 ckm and 678 ckm by Sterlite Power Transmission Limited and Tata Power Limited, respectively. AESL led the total private capacity additions and accounted for 50% during the period. The expansion continued in Fiscal 2024, as the company added 2,066 route ckm, representing approximately 63% of private capacity additions during the period.

The expansion over the period has been driven by a mix of organic and inorganic expansions. The portfolio comprises 37 transmission projects and 2 distribution projects (as of Fiscal 2024) with a presence in 15 states spread across the western, northern, and central parts of the country. Additionally, the company has a power distribution license for the Mumbai region, with access to an integrated distribution network catering to over 3 million households under Adani Electricity Mumbai Limited (AEML)

AESL owns and operates a diverse range of high voltage AC transmission lines and substations, including those with voltage levels of 132kV, 220kV, 400kV and 765kV. Additionally, it manages high voltage DC transmission lines and substations with a voltage level of +/- 500kV (ckm) and possesses a power transformation capacity of 57,001 MVA (operational and under construction) as of March 2024. Line availability of operational transmission lines has been 99.6% in the fourth quarter of Fiscal 2024, higher than the normative level of 95% as prescribed by Central Electricity Regulatory Commission (Terms & Conditions of Tariff) Regulations, 2004. Furthermore, AESL had an under-construction portfolio consisting of approximately 3,073 ckm of transmission lines and 21,396 MVA of power transformation capacity as of March 2024. While AESL's operational network represents modest 3.6% of the total transmission network in India, the company holds a significant position within the private sector, with a 41.5% share (in terms of operational ckms of transmission lines) at the end of March 2024.

OUR BUSINESS

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Industry report on power transmission and distribution, and smart metering" issued in May 2024 ("**CRISIL Report**") prepared and issued by CRISIL, appointed by us and exclusively commissioned and paid for by us in connection with the Issue. CRISIL has used various primary and secondary sources including government sources as well as international agencies to prepare the report. The data included herein includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

References to "we", "us" or "our" in this section refers to our Company and our Subsidiaries. Unless otherwise stated, all financial numbers are presented in crore. 1 crore is equal to 10 million.

Overview

We are part of the Adani portfolio, which is among India's top business houses[8]. We are one of the leading players in the transmission and distribution sector and leading the private sector transmission segment, owning 41.5% of the private operational transmission capacity as of Fiscal 2024[9]. Our Subsidiary, Adani Electricity Mumbai Ltd. ("**AEML**"), is the largest distribution licensee in Mumbai with a consumer base of 3.18 million as of Fiscal 2024.[10] We have recently entered into the smart metering business in Fiscal 2023 and as of March 31, 2024, we have entered into nine contracts totaling 22.8 million smart meters, representing approximately 20% of India's smart metering market share, according to CRISIL. We are contributing to India's energy transition goals with our portfolio of assets in transmission that will aide evacuation of renewable power (Green Energy Corridor), coupled with high renewable power penetration in distribution business and recent foray into smart metering business.

We operate three main businesses: (a) transmission, (b) distribution and (c) smart metering.

As of June 30, 2024, we have 21,187 circuit kilometers ("**ckms**") of transmission lines across 14 states in India, of which 18,115 ckms of were fully operational and another 3,072 ckms of transmission lines are under construction, 57,186 megavolt-ampere ("**MVA**") of power transformation capacity under our transmission business. Our distribution business served over 3.20 million households (representing approximately 13 million distribution customers) of AEML and 100 industrial customers of MPSEZ Utilities Limited ("**MUL**"), as of June 30, 2024. We are also ramping up our smart metering business and have entered into nine contracts totaling 22.8 million smart meters, as of June 30, 2024.

Through our power transmission business, we build, commission, operate and maintain electricity inter-state transmission systems ("**ISTS**") and intra-state transmission systems ("**InSTS**"). As of June 30, 2024, we owned 27, fully operational transmission systems, across the states of Gujarat, Maharashtra, Rajasthan, Uttar Pradesh, Bihar, Madhya Pradesh, Andhra Pradesh, Chhattisgarh, Tamil Nadu, Telangana, West Bengal and Haryana in India which in aggregate have a network of power transmission lines of approximately 17,300 ckms and 33 substations having 31,655 MVA of transformation capacity. We are developing nine transmission systems across the states of Gujarat, Maharashtra, Rajasthan, Karnataka, Madhya Pradesh, Jharkhand and Bihar in India. These transmission systems have a total network of power transmission lines of approximately 3,072 ckms and 25 substations having 21,571 MVA of transformation capacity.

The transmission systems were awarded to us under the "tariff based competitive bidding" mechanism ("**TBCB**") on a "build-own-operate-maintain" ("**BOOM**") or build-own-operate-transfer" ("**BOOT**") basis. Our ISTS transmission systems earn revenue under long-term transmission services agreements ("**TSAs**") and tariff orders passed by CERC, and our InSTS transmission systems earn revenue under long-term bulk power transmission agreements ("**BPTAs**") and tariff orders passed by the relevant state electricity regulatory authority. These transmission systems receive availability-based tariffs under the TSAs or BPTAs, as applicable, irrespective of the quantum of power transmitted through the line. The tariff for transmission systems in India is contracted for the period of the TSA or BPTA which is up to 25 years, and may be renewed or extended for another 10 years in accordance with the TSA or BPTA. Tariffs under the TSAs and BPTAs are billed and collected pursuant to the "point of connection" ("**PoC**") mechanism, a regulatory payment pooling system. Under the PoC mechanism, payments are made to a central/state payment pool and the proceeds are distributed proportionately to all transmission services providers, including us. The availability-based tariffs and PoC payment mechanism enable a stable and certain cash flow stream. For further details, see "*Industry Overview*" on page 119.

We have maintained an annual average availability for our operational transmission systems in excess of 99.5% since commissioning for which we have earned maximum incentive revenues under the respective TSAs and BPTAs. Maintaining

[8] Source: CRISIL
[9] Source: CRISIL
[10] Source: CRISIL

availability of the transmission systems in excess of 95% for HVDC systems and 98% for AC systems gives us the right to claim incentives on a pro-rata basis, under the TSAs and BPTAs, ensuring an adequate upside to maximize availability.

We operate our electricity distribution business through our Subsidiaries AEML, AEML SEEPZ Limited ("**ASL**") (a wholly owned subsidiary of AEML) and MUL. As of June 30, 2024, our distribution systems included AEML's 573 ckms of 220 kV transmission lines, an embedded 500 MW power plant and eight substations having 3,250 MVA transformation capacity and MUL's 242 ckms of 220, 66, 33,11 and 0.415 kV transmission lines and seven substations having 710 MVA transformation capacity. As of June 30, 2024, we served over 3.20 million households (representing approximately 13 million distribution customers) and 100 industrial customers of MUL with an annual energy requirement of approximately 12,285 million units ("**MUs**") (11,624 MUs through AEML and 661 MUs through MUL).

Leveraging our distribution and transmission platforms and expertise, we have recently entered into the smart metering business in Fiscal 2023 which involves the installation of smart-meters and providing end-to-end smart metering services under the Design-Build-Finance-Own-Operate-and-Transfer ("**DBFOOT**") model. As of March 31, 2024, we have entered into nine contracts totaling 22.8 million smart meters, representing approximately 20% of India's smart metering market share, according to CRISIL.

We have been given a credit rating of BBB-/Baa3 Stable by Fitch and Moody's, respectively, in Fiscal 2024. In Fiscals 2024, 2023 and 2022, we generated total income of ₹17,218.31 crore, ₹13,840.46 crore and ₹11,861.47 crore, respectively, EBITDA of ₹6,322.15 crore, ₹6,100.93 crore and ₹5,492.59 crore, respectively and net profit after tax of ₹1,195.61 crore, ₹1,280.60 crore and ₹1,235.75 crore, respectively.

Our Competitive Strengths

Mature operational assets with efficient operating history

We own 29 fully operational transmission systems (including transmission systems of AEML and MUL), with a total of 18,115 ckms of transmission lines across 14 states in India, as of June 30, 2024. These transmission systems are operated under individual licenses. Once a transmission system has been commissioned, it requires relatively low levels of expenditure to operate and maintain, which means that we have the benefit of owning a critical asset without incurring significant operational costs. See "*Management's Discussion and Analysis of our Results of Operations –Principal Components of Our Profit and Loss Statement*" on page 106.

These transmission systems have a strong operational track record. We have maintained an annual average availability for our operational transmission systems in excess of 99.5% since commissioning for which we have earned maximum incentive revenues under the respective TSAs and BPTAs. Maintaining availability in excess of 95% for HVDC systems and 98% for AC systems gives us the right to claim incentives, on a pro-rata basis, under the TSA and BPTAs, ensuring an adequate upside to maximize availability.

Our electricity distribution business, operated under AEML and MUL, operates a well-established electricity distribution system that has been a reliable power supply since 1929 and includes a power plant in Dahanu that is one of the most efficient coal-based power stations in India in terms of operating parameters such as PLF, heat rate and availability. Between Fiscals 2021 to 2024, the Dahanu power plant had an average plant load factor of 76.10%, an average availability of 94.19% and a gross station heat rate of 2,263 kCal per kWh (which represents the kilo calorie heat required to generate one unit of electricity). In Fiscals 2024, 2023 and 2022, AEML achieved an average system availability index of 99.79%, 99.77% and 99.68%, respectively, and only had a distribution loss of 5.29%, 5.93% and 6.55%.

Strategically located transmission systems with high growth potential to support India's renewable capacity targets

Our transmission systems are located across 14 states in India thereby having pan India presence. We have leveraged our transmission system to create a transmission network using our power transmission lines. This network, including assets under construction, currently consists of 21,187 ckms and traverses the states of Gujarat, Maharashtra, Rajasthan, Uttar Pradesh, Bihar, Madhya Pradesh, Andhra Pradesh, Karnataka, Chhattisgarh, Tamil Nadu, Telangana, West Bengal, Jharkhand and Haryana. Furthermore, our transmission systems are connected to the national grid and can serve regions of India which have a power deficit such as Northern-eastern and Eastern India.[11] Moreover, the locations and extensive reach of our system position us to support the GOI's renewable capacity target and transmission expansion plan. The GoI targets to install 500 gigawatts ("**GW**") of renewable capacity by 2030 while as of January 2024, the installed power generating capacity in India from renewable energy sources was 182.04 GW (or about 44% of the total installed electricity generating capacity in India).[12] By Fiscal 2032, solar and wind technologies will have an energy penetration of 35%.[13] To meet demographic shifts and additional demand, as well as the targeted renewable energy capacity, significant infrastructure expansions are planned, with a goal of adding 203,261 ckms of transmission lines by 2032, from 485,544 ckm in Fiscal 2024 to 685,293 ckm in Fiscal 2032.[14] In view

[11] Source: CRISIL
[12] Source: CRISIL
[13] Source: CRISIL
[14] Source: CRISIL

of the aforementioned and the rising demand for electricity in the areas we serve, we derive a strategic advantage from our pan India presence and the connectivity of our transmission systems.

Track record of delivering growth organically and inorganically

We are one of the leading players in the transmission and distribution sector and leading the private sector transmission segment, owning 41.5% of the private operational transmission capacity as of Fiscal 2024.[15] We have a track record of executing projects successfully. We have become one of the largest private sector operators in India in a relatively short amount of time.[16] Our timely and cost-efficient execution of projects provides us with a competitive advantage, particularly in view of the large size of projects which we implement.

We have end-to-end capabilities that cover the bidding stage, project development, project execution and project close out. We employ a team of professionals with experience in completing project management cycle in small, medium and large projects. We have successfully budgeted, developed and executed projects in diverse geographies, including the development and operation of the first high voltage direct current ("**HVDC**") system to be constructed and operated by a private sector company in India.[17] We have demonstrated our ability to capture growth through winning competitive bids and acquisitions of projects. In Fiscals 2024, 2023 and 2022, we were awarded ten, five and one projects through competitive bidding, respectively and we acquired one project in each year during the same period. Such projects included transmission, distribution and smart metering projects.

Our (i) access to financing, (ii) industry expertise in identifying and valuing new projects and assessing risks, and (iii) experience in implementing large projects, allow us to build and operate transmission and distribution systems efficiently. We have experience in managing the entire life cycle of transmission systems, from conceptualization to commissioning to operation. Our execution philosophy is to "de-risk at every stage". We leverage the Adani portfolio's multi-decade pool of managerial experience across a range of competencies for executing our projects. We conduct extensive studies before bidding for projects including conducting topographic studies, site diligence, drone-based diligence, route planning, legal, regulatory and financial diligence which helps us efficiently bid for projects, navigate the development process of each project and also improve the reliability of our pipeline. We execute the project construction phase strategically using the Adani portfolio's large talent pool, deploying latest technology and engaging with vendors and suppliers efficiently. We have developed in-house capabilities for tower design, emergency restoration systems, power system analysis work and operations and maintenance, representing our significant platform which provides us with the competitive advantage of economies of scale and scope. We have a strong capital management philosophy where we fund different stages of project development and operations by taping the capital markets or through bank loans, both leveraging our Company's credit rating of BBB-/Baa3 Stable by Fitch and Moody's, respectively, in Fiscal 2024.

In addition to pursuing organic growth opportunities, we have also successfully integrated our acquisitions and entered into new markets. For example, we successfully won bids for nine smart metering projects in India which are currently under construction. Through our acquisition of AEML and MUL, we have expanded our operations into the distribution business, a sector with high barriers to entry such as the need for substantial capital investment and regulatory approvals and licenses, that provide AEML's an MUL's well-established distribution system a natural competitive advantage. As a result of our acquisition of AEML and MUL, we have successfully developed a 'grid-to-switch' platform with integrated electricity transmission and distribution capabilities.

Large distribution business customer base with continually growing rates of energy consumption and supportive regulatory scheme

Distribution utilities play a crucial role in India's power sector by ensuring reliable and efficient supply of electricity to end-consumers.[18] Our distribution system serves a large and diverse customer base with continually growing rates of energy consumption.

We currently have distribution systems in the state of Maharashtra that we serve through our Subsidiary AEML, and in the state of Gujarat that we serve through our wholly-owned Subsidiary MUL. AEML's customers increased by 3.2% from 3.08 million households to 3.20 million households (representing approximately 13 million distribution customers) while MUL's customers increased from 81 to over 100 industrial customers, during Fiscals 2022 to June 30, 2024.

The energy wheeled through AEML's distribution network, has grown by 1,899 MUs, or 19.5%, from 9,725 MUs in Fiscal 2022 to 11,624 MUs in Fiscal 2024 while the maximum energy demand in the area has increased by 24.41% from 1,737 MW in the Fiscal 2022 to 2,161 MW in Fiscal 2024. The energy wheeled through MUL's distribution network, has grown by 290 MUs, or 78.17%, from 371 MUs in Fiscal 2022 to 661 MUs in Fiscal 2024. The maximum energy demand in the area has increased by 91.67% from 60 MUs in Fiscal 2022 to 115 MUs Fiscal 2024.

[15] Source: CRISIL
[16] Source: CRISIL
[17] Source: CRISIL
[18] Source: CRISIL

Our electricity distribution customers have strong credit profiles and high propensities to pay. Currently, AEML's distribution system spans over 400 sq. km and MUL's distribution system spans over 85 sq. km and caters to customers in the suburbs of Mumbai and the Mira-Bhayander Municipal Corporation in Thane district and Mundra region, District Kutch in Gujarat.

Despite being one of the fastest growing economies in the world prior to the COVID-19 pandemic, India's per capita electricity consumption is growing but significantly lags developing and developed peers.[19] India's electricity consumption grew from 1,002 billion units ("**BUs**") in Fiscal 2014 to 1,626 BUs in Fiscal 2024 as a result of India's growing population, industrial and economic expansion and the strengthening of the transmission and distribution infrastructure and is projected to grow to 1,720 to 1,730 BUs in Fiscal 2025.[20] Energy consumption is expected to be bolstered by the GoI's increasing focus on rural electrification, railway electrification, transition to electric vehicles and policies such as '24x7 Power for All'.[21]

Moreover, the 2006 introduction of TBCB has made the market more accessible for private entities. Since April 2015, the private sector has won 47 of 77 TBCB transmission projects, with our Company winning 22 of such projects. The surge in electricity demand, renewable energy growth, the need for additional transmission and distribution infrastructure and competitive bidding offer substantial opportunities for our company.

The GoI also aims to transform the electricity distribution sector through the transition to smart meters under the Revamped Distribution Sector Scheme ("**RDSS**").[22] To leverage this opportunity, we have recently entered into the smart metering business in Fiscal 2023 which involves the installation of smart-meters and providing end-to-end smart metering services under the DFOOT model. As of March 31, 2024, we have entered into nine contracts totaling 22.8 million smart meters, representing approximately 20% of India's smart metering market share[23].

Payment pooling mechanism provides diversification of transmission business and reduces counter-party risk

The majority of our transmission business revenue is derived from tariffs charged to customers and is collected by the CTU for our ISTS and by the STU for our InSTS, in each case under PoC mechanism. This payment pooling system is applicable to all customers of the power transmission grid across India, meaning that all transmission tariffs are collected by either the CTU or the STU, and thereafter pooled and paid to the various transmission licensees in proportion to their yearly transmission charges as approved by the relevant regulatory authority, which helps to support a diversified business risk profile. Additional credit assurance is provided through multiple facets, including - all customers provide letters of credit; state grid users provide a bank guarantee; customer access to the network can be restricted in the event of credit failure; regulated quantum of power can be sold by a relevant generating company also suffering a default, and the proceeds of such power sale can be shared by the generating company and transmission licensee pro-rata, after adjustment of energy charges and incidental expenses by the generating company; and penalty interest provisions can be implemented. These measures, in addition to the pooling system, provide strong credit to counterparties and security of payment.

Long-term, recurring, stable and predictable revenue streams provide strong cash flows

Our revenues are primarily derived out of contracted tariffs under long-term contracts (up to 35 years, while the licenses are for a period of 25 years and extendable by an additional 10 years) from transmission systems with relatively low operating and maintenance costs. Below is a summary of the license period and remaining license life of transmission licenses granted to the transmission systems operated by us as of June 30, 2024:

	License Period (Years)	Approximate Remaining License Life (including renewal term of 10 years)
Tiroda-Aurangabad Transmission System	25 + 10 year renewal	22 years
Tiroda-Warora Transmission System	25 + 10 year renewal	24 years
Mundra-Mohindergarh Transmission System	25 + 10 year renewal	24 years
Mundra-Dehgam Transmission System	25 + 10 year renewal	20 years
Maru Transmission Service Company LTD.	25 + 10 year renewal	24 years
Aravali Transmission Service Company LTD.	25 + 10 year renewal	24 years
Western Transmission (Gujarat) LTD.	25 + 10 year renewal	20 years
Western Transco Power LTD.	25 + 10 year renewal	20 years
Adani Transmission Bikaner Sikar Private Limited	25 + 10 year renewal	27 years
Adani Transmission (Rajasthan) Limited	25 + 10 year renewal	28 years
Fatehgarh Bhadla Transmission Limited	25 + 10 year renewal	30 years
Hadoti Power Transmission Limited	25 + 10 year renewal	29 years
Barmer Power Transmission Limited	25 + 10 year renewal	29 years
Thar Power Transmission Limited	25 + 10 year renewal	29 years
Raipur Rajnandgaon-Warora Transmission Limited	25 + 10 year renewal	27 years
Sipat Transmission Limited	25 + 10 year renewal	27 years

[19] Source: CRISIL
[20] Source: CRISIL
[21] Source: CRISIL
[22] Source: CRISIL
[23] Source: CRISIL

	License Period (Years)	Approximate Remaining License Life (including renewal term of 10 years)
Chhattisgarh-WR Transmission Limited	25 + 10 year renewal	27 years
Alipurduar Transmission Ltd.	25 + 10 year renewal	27 years
Bikaner Khetri Transmission Limited	25 + 10 year renewal	31 years
Ghatampur Transmission Limited	25 + 10 year renewal	30 years
Lakadia Banaskantha Transco Limited	25 + 10 year renewal	31 years
WRSS XXI(A) Transco Limited	25 + 10 year renewal	31 years
Jamkhambhaliya Transco Ltd	25 + 10 year renewal	31 years
Obra- C Badaun Transmission Limited	25 + 10 year renewal	31 years
Karur Transmission Ltd	25 + 10 year renewal	34 years
Kharghar Vikhroli Transmission Ltd	25 + 10 year renewal	32 years
Warora Kurnool Transmission Ltd	25 + 10 year renewal	28 years
Khavda Bhuj Transmission Ltd	25 + 10 year renewal	34 years
Essar Transco Limited	25 + 10 year renewal	29 years

Our transmission systems receive tariffs on the basis of availability, irrespective of the quantum of power transmitted through the line and thereby reduces demand risks. The tariffs for our transmission systems regulated under Section 62 of the Electricity Act, 2003 are determined on a cost-plus basis, with an assured return on equity, on a post-tax basis, at a current rate of 15.5% (i.e. the return is grossed up by the applicable tax rate for the relevant year).

Similar to our transmission business, our distribution business offers the benefits of a long-term asset with regulated returns and high cash flow visibility. AEML has been in the distribution business for over 90 years (including the operational history of the predecessor company/license AEML acquired) and operates under a perpetuity-like distribution concession with optional 25-year extensions, and MUL has been in the distribution business for over 10 years. In addition to the regulated returns, we receive from our transmission and distribution businesses, we intend to leverage on technology and our expansive network of retail distribution customers to pursue cross sell and up sell opportunities that provide non-regulated revenues.

Our long-term transmission and distribution licenses, together with a stable regulatory framework, provide us with recurring diversified revenue streams and mitigate the risks arising from economic and other uncertainties such as those resulting from the COVID-19 pandemic and high coal prices in light of the Russia-Ukraine conflict.

Furthermore, all operating charges incurred by our operational transmission systems are fully recoverable from end-users by way of fixed operating charges. Our contracts provide for a commitment for tariff payment from users to us. Our revenues from our transmission systems are adequately protected from non-payment of tariff by end-users, because the regulations the CERC require end-users to provide standby letters of credit and/or bank guarantees in favor of the STU and CTU, which reduces the risk of payment defaults by our customers.

We believe our financial position will help us finance our expansion plans in the coming years. Additionally, our transmission systems and distribution system have low operational risks and stable revenue generating ability, with long-term revenue visibility in a stable regulatory framework. Our transmission systems and distribution network, which includes an embedded power plant, are fully operational, and enable us to diversify our operational and regulatory risks, thereby improving our credit profile. Accordingly, our credit profile will allow us to access the debt markets to meet our financing requirements.

Skilled and experienced senior management team and competent and committed workforce

We are led by our Promoters, Mr. Gautam S. Adani and Mr. Rajesh S. Adani, supported by an able and experienced senior management. Our board of directors have a collective experience of over three decades. Our highly experienced and professional management team provides us with a key competitive advantage. Most members of our senior management have extensive experience in the industries we operate in. This results in effective operational coordination and continuity of business strategies. We also benefit from having an engineering team with diverse capabilities in design, construction, project management, procurement and quality assurance. Our engineering team ensures that our projects are successfully executed and that ongoing operations maintain high levels of availability. The skills and diversity of our senior management team, engineers and other members of our workforce also give us the flexibility to respond efficiently and effectively to changes in the business environment.

Our personnel policies are designed to recruit talented employees, facilitate their integration into our organization and encourage them to develop their skills and expertise. We have been successful in attracting experienced staff in various areas of our business, including operations, project management, engineering, technology and finance. Moreover, we invest resources in employee training and development, and we recruit through a competitive screening process to attract talent for various positions. We undertake training sessions for our employees on a regular basis to enhance their performance and improve their competencies, particularly with respect to their functional skills. In addition to these regular training sessions, we also build the capabilities of our employees through a year-long behavioural learning program.

Our Strategies

Increase our capacity, strengthen our market share of the transmission and distribution sectors and enter new markets, including the smart metering and district cooling businesses

We intend to continue to increase our capacity and strengthen our position in the transmission and distribution sectors. We are currently in the process of developing nine transmission systems. When these transmission systems come online, they will expand our current operational transmission network from 18,115 ckms (as of June 30, 2024) to up to 21,187 ckms. We also plan on pursuing additional value-accretive opportunities in the electricity distribution space in the future.

Furthermore, we intend to strengthen our existing market share by pursuing new growth opportunities in a disciplined manner focusing on returns. In relation to our transmission business, we evaluate, and intend to continue to evaluate, opportunities to bid for upcoming ISTS projects via the TBCB process. We also evaluate and intend to continue to evaluate opportunities to bid for InSTS projects via the TBCB or DBFOT process. TBCB assets are acquired under strict risk adjusted return on capital framework with a focus on build quality and Operations and Maintenance ("**O&M**") excellence. We will strive to maintain our market share in fixed tariff transmission systems by pursuing inter-state, intra-state and brownfield acquisitions. We will continue to build on our experience as one of the few private providers of electricity distribution to increase our market share through bidding for new opportunities, including by leveraging on second license options in SEZs and various cities in India. We also seek to expand into new regions through parallel licensing opportunities. As of June 30, 2024, we have applied for parallel distribution licenses in Navi Mumbai, Thane, Gautam Buddha Nagar and Mundra subdistrict. In the future, we plan on expanding our presence to other regions of India, including the Southern and North-eastern regions, and we continue to evaluate opportunities to pursue international projects.

As part of our strategy to enter new markets, we have recently entered into the smart metering business in Fiscal 2023, seizing the opportunity to be at the forefront of this emerging sector. The GoI's RDSS and initiative for the nationwide rollout of smart meters by installing 250 million presents a significant growth opportunity.[24] CRISIL MI&A expects the segment to see investments worth approximately ₹432 billion by Fiscal 2028 with an achievement ratio of 55 to 60% against the government's installation target.[25] Our existing experience in implementing and operating smart metering projects, combined with our distribution and transmission businesses' synergies and customer insights, positions us favorably in this sector. As of March 31, 2024, we have entered into nine contracts totaling 22.8 million smart meters, which represents 20% of India's smart metering market share.[26]

We also intend to enter into the district cooling business which involves the construction and operation of district cooling systems under the DBFOOT model. A district cooling system produces chilled water in a central plant and distributes cooling capacity in the form of chilled water from the central plant to multiple buildings through a network of underground pipes for use in space and process cooling. There is a large addressable market with respect to nation-wide infrastructure (e.g. airports, data centers, SEZs and realty spaces) which we can leverage our existing synergies by offering an integrated solution with power sourcing from our grid.

Due to our knowledge and experience in managing projects, we expect to undertake this expansion with the aims of minimizing execution risks and optimizing returns, by fully utilizing our platform as one of India's largest private sector transmission and distribution companies.

Focus on increasing the value of our distribution business including through renewable energy

With the acquisition of AEML and MUL, we are uniquely positioned to expand our base in Mumbai and Gujarat, especially in the business-to-consumer sector of the power business. We aim to expand our distribution business into new geographies beyond AEML's 400 sq. km. and MUL's 85 sq. km. licensing areas by securing parallel distribution licenses. As of June 30, we have applied for parallel distribution licenses in Mundra subdistrict, Navi Mumbi and Thane and Gautam Buddha Nagar. We continually evaluate similar geographies across India and target regions with high commercial and industrial energy consumption, high consumption density, substantial growth potential, and significant anchor loads such as data centers, manufacturing industries, and airports. This expansion into new territories will enable us to serve a broader customer base, deploy our capital effectively, boost our revenue and enhance our returns.

We intend to enhance our portfolio of non-regulated services by leveraging AEML's existing distribution customer base of over 3.20 million households (representing approximately 13 million distribution customers) and MUL's 100 industrial customers to capitalize on the growth trends in the distribution space. For example, we plan to offer new ancillary services (such as fiber and tower leasing across geographies and towns, rooftop solar, electric vehicle charging stations, new license alongside city gas distribution licenses, fiber to home, broadband, on-demand entertainment, e-security and smart home products) and target new segment of customers (such as open access customers, SEZs, smart colonies and smart grids). Our

[24] Source: CRISIL
[25] Source: CRISIL
[26] Source: CRISIL

distribution portfolio provides us access to a network spanning over 400 sq. km., which we intend to opportunistically exploit through various commercial initiatives across city distribution.

We continuously strive to procure power from cheaper and sustainable sources with an overall objective to offer affordable power to the consumers of Mumbai. We are committed to building out our supplies of renewable energy sources in the near future and increasing the share of renewable energy in our power supply mix from 35% as of March 31, 2024 to 60% by 2027, while driving down the cost of power purchase. To this end, we intend to launch the Mumbai Green Energy Initiative to give consumers the flexibility to set their targets for renewable energy. As part of that initiative, we intend to provide our consumers with the option to buy clean power under MERC's current program of providing 100% renewables by charging an additional green power tariff fee per kWh. In addition, we intend to offer certificates to our qualifying consumers stating that all of their power requirements have been supplied through renewable energy sources. We have contractual commitments to add 1,000 MW of power between financial years ending March 31, 2023 and March 31, 2025 with a substantial component of green energy for which we have sought MERC approval.

Improve operating performance by modernizing our transmission and distribution infrastructure and services and by maintaining industry best practices

We intend to maintain high transmission and distribution availability, optimize our operating costs and incorporate more energy-efficient technologies into our operations so that we are well-positioned to capitalize on future growth opportunities. Our Engineering Network Operations Center ("**ENOC**") enhances our operations' efficiency, safety, and security. As a centralized hub, ENOC allows for remote operations, real-time network monitoring and management, facilitating swift incident response and proactive maintenance. We leverage data analytics for equipment failure prediction and performance optimization, supporting informed decision-making. By maintaining high transmission availability rates, we are eligible to receive an incentive payment under applicable Tariff Regulations, and we have a track record of successfully doing so. We view these incentive payments not only from a financial perspective, but also as a demonstration of our ability to efficiently maintain our transmission systems above the required regulatory level. We also intend to undertake further improvements in our operations and maintenance practices. For example, we have procured emergency restoration systems to mitigate exigencies and maintain high system availability and reliability, and we have hired skilled employees to maintain these systems. Furthermore, we have implemented a plant maintenance module and a linear asset management module from SAP at all of our substations in order to ensure efficient and effective asset utilization and monitoring. We also utilize hotline techniques to undertake maintenance on our transmission systems without interrupting power transmission. We are also committed to enhancing operational efficiencies in our distribution business by improving the heat rate and availability of our distribution system and reducing aggregate technical and commercial losses, thereby supplying reliable and quality power to our customers.

We intend to modernize our infrastructure and services and to follow industry best practices. As we grow our transmission business, our engineering department continuously strives to adopt new and improved transmission tower designs with a focus on cost reduction through reducing our consumption of materials such as steel, aluminium and insulators. In-house designs also provide us the flexibility, not offered by standard designs, to customize environmental and technical parameters. For our existing infrastructure, we also intend to maintain those assets so as to increase useful life to the extent possible in order to obtain cost efficiencies and to increase prospects for license renewal. Furthermore, we will leverage on technology to offer new services to our distribution customers, such as roof top solar energy, electric vehicle charging stations and smart home products.

Our History

Adani Enterprises Limited ("**AEL**"), an Adani portfolio company, commenced its transmission business directly and through one of its then-subsidiaries, Adani Power Limited ("**APL**"), in 2006. Our Company was incorporated on December 9, 2013.

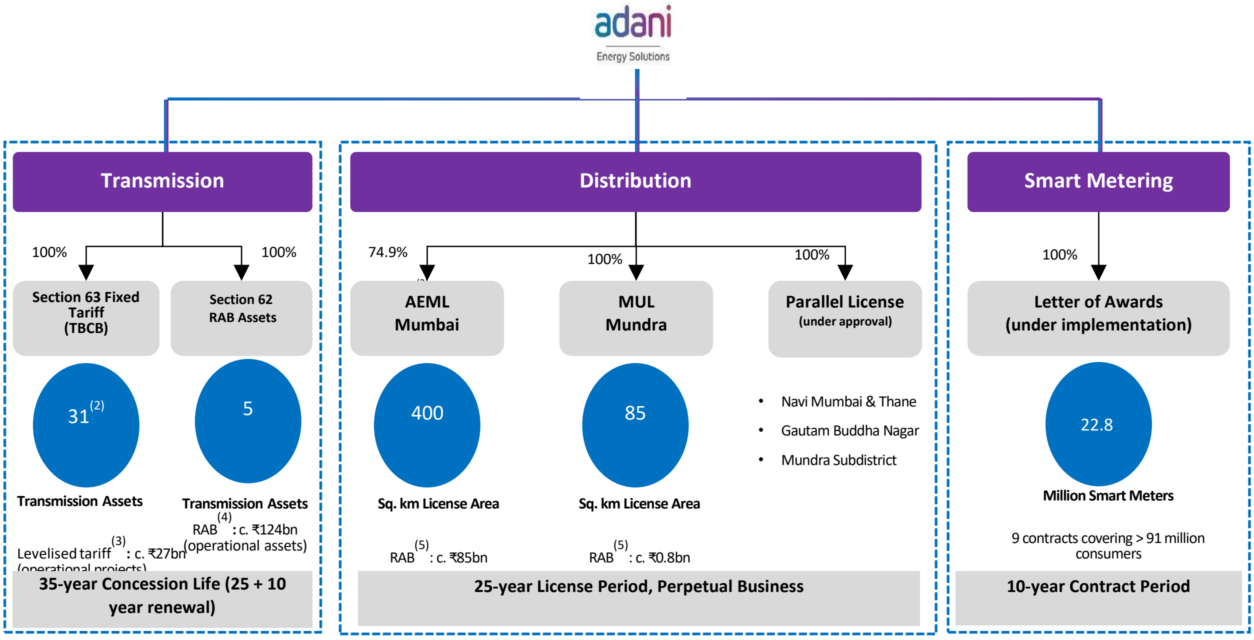
The Mundra-Dehgam transmission system and Mundra-Mohindergarh transmission system were initially owned and operated by APL and the Tirorda-Warora Transmission System was initially owned and operated by Adani Power Maharashtra Limited ("**APML**"), another subsidiary of APL. As part of a reorganization process, these transmission systems were transferred to Adani Transmission (India) Limited ("**ATIL**") on April 1, 2014. Following this corporate reorganization, the board of directors of AEL approved the Scheme of Arrangement in January 2015 to demerge a number of its business lines, including its transmission business. This was done in order to simplify its corporate structure, enable greater management focus, enhance value for shareholders and provide scope for independent collaboration and expansion. Pursuant to the Scheme of Arrangement, the transmission business of AEL and its two subsidiaries, ATIL and Maharashtra Eastern Grid Power Transmission Company Limited ("**MEGPTCL**"), were transferred to our Company as a going concern in March 2015 and our Company was demerged from AEL. In the ensuing years, we have incorporated and entered into share purchase agreements to acquire various additional subsidiaries to develop our transmission systems.

On August 29, 2018, we completed our acquisition of Reliance Electric Generation and Supply Limited from R-Infra, and renamed it as AEML. AEML's operations have been in existence since 1929. On December 21, 2017, we entered into a share purchase agreement with R-Infra to acquire its Mumbai distribution business. Pursuant to the share purchase agreement, R-Infra's Mumbai distribution business was de-merged from R-Infra and transferred to Reliance Electric Generation and Supply Private Limited. Reliance Electric Generation and Supply Private Limited was originally a wholly-owned subsidiary of R-Infra initially incorporated as Daffodil Advisors Private Limited on September 18, 2008. On August 4, 2016, our Company became a public company. On August 29, 2018, we acquired 100% of the equity share capital of Reliance Electric Generation and Supply Private Limited, which we renamed as AEML on August 31, 2018. AEML now operates as a wholly-owned Subsidiary of our Company. On December 15, 2021, we signed a share purchase agreement with Adani Ports and Special Economic Zone Limited ("**ASPEZ**") for the acquisition of MUL, which is now a wholly-owned Subsidiary of our Company.

We recently entered the smart metering business in Fiscal 2023. We operate our smart metering business through AESL and our wholly-owned Subsidiaries of our Company, BEST Smart Metering Limited, NE Smart Metering Limited, Adani Transmission Step-Six Limited, Adani Transmission Step-Seven Limited and Adani Transmission Step-Eight Limited.

Our Operations

Our business can be broadly categorized under three categories: (a) transmission, (b) distribution and (c) smart metering.



Notes:

(1) As of June 30, 2024.

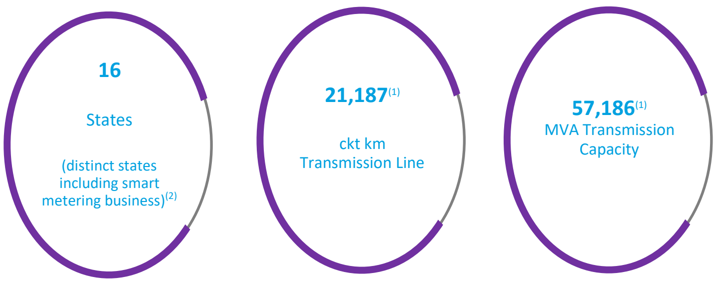
(2) Includes assets under construction. All of our transmission assets are operated by our wholly owned Subsidiaries except for the KPS 1 system which is is 49% owned by us and 51% owned by Megha Engineering Infrastructure Limited. However, as we have control over KPS 1 system, it is consolidated in our financial statements.

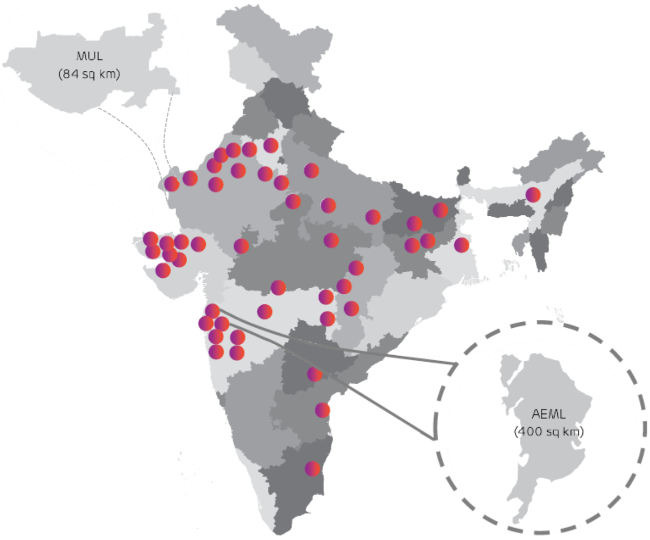
(3) Being revenue earned from these assets.

(4) Approved Gross Regulatory Asset Base.

(5) RAB as on 31st March, 2024.

The following map shows an overview of our network of transmission and distribution assets and smart metering assets as of June 31, 2024.





Note:

(1) Includes assets under construction.

Transmission Business

Our core business is electric power transmission over long distances at high voltages. Transmission networks supply electricity from generating resources to substations located near population and industrial centers. This is distinct from the local wiring between high-voltage substations and customers, which is typically referred to as electric power distribution. Transmission lines, when interconnected with each other, become transmission networks. Substations can include transformers that change voltage levels between high transmission voltages and lower distribution voltages, or they can function as the interconnection of two different transmission voltages. Power can be transmitted over transmission lines using either alternating current or direct current. The current in AC lines switches direction periodically, and the current in DC lines flows in a single direction. For this reason, DC transmission lines must be on a double circuit to transmit power in both directions simultaneously. The graphic below shows the relationship between the generation, transmission and distribution of electric power:

The Indian power industry has historically been divided into five regions for the planning and operation of electricity generation, transmission and distribution: the Northern, Southern, Eastern, Western and North-Eastern regions.[27] Transmission of electricity within the regions is done through regional grids, and transmission of electricity between regions is done via the national grid.[28] The Northern, Eastern, Western, and North-eastern regions are interconnected and operate as a single grid, known as the national grid.[29] The Southern grid was synchronised with the all-India grid, the NEW grid, in December 2013 through the Raichur-Solapur 765 kV S/C line, thus leading to formation of one synchronous national grid.[30]

The transmission assets were awarded to us under two mechanisms – (1) TBCB and (2) "cost-plus" basis. For more details on these tariff structures, see "*Management's Discussion and Analysis of our Results of Operations – Significant Factors Affecting Our Results of Operations – Tariff Structure*" on page 99. The tariff for our ISTS and InSTS in India is contracted for the period of the TSA or BPTA, as applicable, which is for up to 35 years while the applicable license runs from the scheduled commission date of the transmission assets for a period of 25 years, and may be renewed or extended for another 10 years in accordance with the TSA or BPTA. Our ISTS earn revenue pursuant to long-term TSAs and tariff orders passed by CERC, and our InSTS earn revenue pursuant to long-term BPTA and tariff orders passed by the relevant state electricity regulatory authority, and in accordance with the Electricity Act, 2003. We bill this tariff to CTU, for our ISTS and to STUs, for our InSTS, in each case under a payment pooling mechanism. Tariffs under these TSAs and BPTAs are billed and collected pursuant to the PoC mechanism, a regulatory payment pooling system. Under the PoC mechanism, payments are made to a central payment pool

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[27] Source: CRISIL
[28] Source: CRISIL
[29] Source: CRISIL
[30] Source: CRISIL

and the proceeds are distributed proportionately to all transmission services providers, including us. For further details, see "- *Contracts and Tariffs*" on page 168.

We operate our transmission assets at high levels of efficiency. We have maintained an annual average availability for our operational transmission assets of over 99.5%. The average availability rates of our transmission assets for the periods indicated are set out in the table below.

	Availability		
	Fiscal		
	2024	2023	2022
		(in %)	
Tiroda-Aurangabad Transmission System	99.85	99.85	99.96
Tiroda-Warora Transmission System	99.84	99.88	99.81
Mundra-Mohindergarh Transmission System	99.25	99.92	98.18
Mundra-Dehgam Transmission System	99.72	99.64	99.78
Maru Transmission Service Company LTD.	99.89	99.97	99.92
Aravali Transmission Service Company LTD	99.91	99.96	99.90
Western Transmission (Gujarat) LTD	99.67	99.75	99.74
Western Transco Power LTD	99.64	99.89	99.86
Adani Transmission Bikaner Sikar Private Limited	100.00	100.00	99.97
Adani Transmission (Rajasthan) Limited	99.97	99.96	99.85
Fatehgarh Bhadla Transmission Limited	99.89	100.00	99.97
Hadoti Power Transmission Limited	99.90	99.86	99.91
Barmer Power Transmission Limited	99.92	99.85	99.88
Thar Power Transmission Limited	99.90	99.87	99.87
Raipur Rajnandgaon-Warora Transmission Limited	99.90	99.75	99.93
Sipat Transmission Limited	99.89	99.66	99.86
Chhattisgarh-WR Transmission Limited	99.89	99.94	99.93
Alipurduar Transmission Ltd.	99.94	99.98	99.97
Bikaner Khetri Transmission Limited	99.77	98.50	99.82
Ghatampur Transmission Limited	98.42	98.40	99.59
Lakadia Banaskantha Transco Limited	99.91	99.19	-
WRSS XXI(A) Transco Limited	99.95	99.87	-
Jamkhambhaliya Transco Ltd	99.51	99.99	-
Obra- C Badaun Transmission Limited	99.54	99.52	99.29
Karur Transmission Ltd	100.00	-	-
Kharghar Vikhroli Transmission Ltd	100.00	-	-
Warora Kurnool Transmission Ltd	99.27	100.00	99.92
MP Power Transmission Package-II LTD	99.97	-	-
North Karanpura Transco Limited	99.96	99.97	99.97
Khavda Bhuj Transmission Limited	99.35	-	-
Essar Transco Limited	-	-	-

1. *Adani Transmission (India) Limited ("ATIL") transmission systems*

ATIL, a wholly-owned Subsidiary of our Company which was acquired from APL and APML in March 2015, owns and operates two ISTS namely, (i) the Mundra-Mohindergarh transmission line, (ii) the Mundra-Dehgam transmission line, and one InSTS transmission asset, (iii) the Tiroda-Warora transmission lines, passing through the states of Gujarat, Rajasthan, Haryana and Maharashtra. A summary of these three transmission systems are set out below.

<u>Mundra-Mohindergarh Transmission Line</u>

The Mundra-Mohindergarh transmission line consists of a +/-500 kV HVDC transmission line of 2,528 ckms from Mundra, Gujarat, through Rajasthan, to Mohindergarh, Haryana and additional transmission lines of 400 kV DC from Mohindergarh, Haryana to Bhiwani, Haryana of approximately 100 ckms and from Mohindergarh, Haryana to Dhanonda, Haryana of approximately 10 ckms. This transmission asset also consists of HVDC substations located in Mundra, Gujarat and Mohindergarh, Haryana that have a total transformation capacity of 6,630 MVA, a 400/220 kV switchyard at Mundra, Gujarat, and two 400 kV bays at the substation located at Bhiwani, Haryana. All elements of the transmission asset were completed and commissioned by October, 2012. This was also the first +/-500 kV bipolar HVDC transmission asset set up by a private company in India[31].

[31] Source: CRISIL

This transmission system is regulated by CERC, and the total project cost as approved by CERC was Rs. 38,755.7 million. We obtained a 25-year transmission license from CERC for the Mundra-Mohindergarh Transmission line on July 29, 2013 and the transmission license issued by the CERC for this transmission system will expire on July 28, 2038, unless renewed earlier in accordance with the applicable CERC tariff regulations. In January 2022, CERC approved an annual fixed tariff of Rs. 5,395.98 million for this transmission system for Fiscal 2024.

- Mundra-Dehgam Transmission Line

The Mundra-Dehgam transmission line consists of a 400 kV transmission line of 868 ckms from Mundra, Gujarat, through Sami, Gujarat, to Dehgam, Gujarat, a 400 kV switching station at Sami, Gujarat, and two 400 kV bays at the substation located at Dehgam, Gujarat. All elements of the transmission system were completed and commissioned by July 2009.

This transmission system is regulated by CERC, and the project cost as approved by CERC was Rs. 5,409.0 million. We obtained a 25-year transmission license from for the Mundra-Dehgam Transmission system on July 29, 2013. The transmission license issued by CERC for this transmission system will expire on July 28, 2038, unless renewed earlier in accordance with the applicable CERC tariff regulations. In January 2022, CERC approved an annual fixed tariff of Rs. 558.2 million for this transmission system for Fiscal 2024.

Tiroda-Warora Transmission Line

The Tiroda-Warora transmission line consists of a 400 kV double circuit transmission line of 438 ckms from Tiroda, Maharashtra to Warora, Maharashtra, two 400 kV bays at the switchyard located at Tiroda, Maharashtra, and two 400 kV bays at the switch station located at Warora, Maharashtra. All elements of the transmission system were completed and commissioned by August 2012. This line was built to transmit power from Tiroda power plant in Maharashtra to Wardha and Chandrapur in Maharashtra through the Warora substation of the Maharashtra State Electricity Transmission Company Limited ("**MSETCL**"), and also to transmit power from other power generation projects in the region, including by Indiabulls, Khaperkheda and NTPC. We constructed two bays at the Tiroda power project owned by APML, and MSETCL constructed two bays at Warora in its substation/switching station.

This transmission system is regulated by MERC, and the project cost as approved by MERC was Rs. 7130.4 million. MERC first granted APML a 25-year transmission license for the Tiroda-Warora transmission line in 2009, which was later transferred to ATIL on January 7, 2015. The transmission license issued by MERC for this transmission system will expire on July 5, 2034, unless renewed earlier in accordance with applicable MERC tariff regulations. In March 2023, MERC approved an annual fixed tariff of Rs. 968.3 million for this transmission system for Fiscal 2025.

2. *Maharashtra Eastern Grid Power Transmission Company Limited ("MEGPTCL") - The Tiroda-Aurangabad transmission system*

MEGPTCL, a wholly-owned Subsidiary of our Company, owns and operates one InSTS, the Tiroda-Aurangabad transmission system in the state of Maharashtra. A summary of this transmission system is set out below:

The Tiroda-Aurangabad transmission system consists of comprising two 765 kV lines and one 400 kV line totaling 1,217 ckms on the Tiroda-Koradi-Akola-Aurangabad stretch in eastern Maharashtra. This transmission system also consists of two substations that have a total transformation capacity of 6000 MVA and two 765 kV bays at Aurangabad, Maharashtra. All elements of the transmission system were completed and commissioned by March 2015.

This transmission system is regulated by MERC. The total project cost as approved by MERC was Rs. 57,905.4 million. We obtained a 25-year transmission license from MERC for the construction and maintenance of the Tiroda-Aurangabad transmission system on September 21, 2010. The transmission license issued by MERC for this transmission system will expire on September 20, 2035, unless renewed earlier in accordance with applicable MERC tariff regulations. In March 2023, MERC approved an annual fixed tariff of Rs. 8,859.7 million for this transmission system for Fiscal 2025.

3. *Maru Transmission Service Company Limited ("MTSCL") – Maru transmission system*

MTSCL, a wholly-owned Subsidiary of our Company, owns and operates one InSTS, the Maru transmission system in the state of Rajasthan.

The Maru transmission system consists of two single circuit 400 kV lines and one double circuit 220 kV line totalling a transmission length of 300 ckms, as well as one substation with the transformation capacity of 730 MVA on the Bikaner-Deedwana-Ajmer-Sujangarh stretch in Rajasthan. All elements of the transmission system were completed and commissioned by December 16, 2013.

This transmission system is regulated by RERC. We obtained a 25-year transmission license from RERC for the construction and maintenance of the Maru transmission system on August 14, 2012, effective from September 15, 2012. The transmission license issued by RERC for this transmission system will expire on September 14, 2037, unless renewed earlier in accordance with the applicable RERC tariff regulations.

4. *Aravali Transmission Service Company Limited ("ATSCL") transmission system*

ATSCL, a wholly-owned Subsidiary of our Company, owns and operates one InSTS, the Aravali transmission system in the state of Rajasthan.

The Aravali transmission system consists of one single circuit 400 kV line of 97 ckms from Hindaun to Alwar in the state of Rajasthan, and one substation with the transformation capacity of 630 MVA located in Alwar, Rajasthan. All elements of the transmission system were completed and commissioned by August 23, 2014.

This transmission system is regulated by RERC. We obtained a 25-year transmission license from RERC for the construction and maintenance of the Aravali transmission system on August 14, 2012, effective from September 15, 2012. The transmission license issued by RERC for this transmission system will expire on September 14, 2037, unless renewed earlier in accordance with applicable RERC tariff regulations.

5. *Western Transco Power Limited ("WTPL") transmission system*

WTPL, a wholly-owned Subsidiary of our Company, owns and operates one ISTS, the WTPL transmission system in the state of Maharashtra.

The WTPL transmission system consists of six 400kV transmission lines with a total transmission length of 2,089 ckms. There are no substations associated with this transmission system. All elements of the transmission system were completed and commissioned by January 2014.

This transmission system is regulated by CERC. We obtained a 25-year transmission license from CERC for the operation of the WTPL transmission system on December 30, 2008. WTPL, which was previously owned by R-Infra. We completed our acquisition of WTPL from R-Infra in October 27, 2017. The transmission license issued by CERC for this transmission system will expire in December 29, 2033, unless renewed earlier in accordance with applicable CERC regulations.

6. *Western Transmission Gujarat Limited ("WTGL") transmission system*

WTGL, a wholly-owned Subsidiary of our Company, owns and operates one ISTS, the WTGL transmission system in the states of Gujarat and Madhya Pradesh.

The WTGL transmission system consists of three 400 kV transmission lines, two intrastate transmission lines located in the state of Gujarat and one interstate transmission line located across the states of Gujarat and Madhya Pradesh of a total transmission length of 974 ckms. All elements of the transmission system were completed and commissioned by December 2015.

This transmission system is regulated by CERC. We obtained a 25-year transmission license from CERC for the operation of the WTGL transmission system on December 30, 2008. WTGL, which was previously owned by R-Infra. We completed our acquisition of WTGL from R-Infra in October 27, 2017. The transmission license issued by CERC for this transmission system will expire on December 29, 2033, unless renewed in accordance with applicable CERC tariff regulations.

7. *Adani Transmission (Rajasthan) Limited ("ATRL") transmission system*

ATRL, a wholly-owned Subsidiary of our Company, owns, operates and maintains one InSTS, the Suratgarh-Bikar transmission line in the state of Rajasthan.

The ATRL transmission system consists of a 400kV double circuit transmission line of 278 ckms in Rajasthan. There are no substations associated with this transmission system. All elements of the transmission system were completed and commissioned by July 28, 2018.

This transmission asset is regulated by RERC. We obtained a 25-year transmission license from RERC for the construction and maintenance of the ATRL transmission system on August 30, 2016, effective from September 15, 2016. The transmission license issued by RERC for this transmission system will expire on September 14, 2041, unless renewed earlier in accordance with applicable RERC tariff regulations.

8. *Chhattisgarh-WR Transmission Limited ("CWRTL") transmission system*

CWRTL, a wholly-owned Subsidiary of our Company, owns, operates and maintains one ISTS, the Chhattisgarh-WR transmission system in the states of Madhya Pradesh, Chhattisgarh and Maharashtra.

The Chhattisgarh-WR transmission system consists of two 400 kV double circuit transmission lines, three 765 kV single circuit transmission lines and one 765 kV double circuit transmission line of a total transmission length of 434 ckms located in the states of Madhya Pradesh, Chhattisgarh and Maharashtra. This transmission system also consists of a substation at Morena, Madhya Pradesh with a transformation capacity of 630 MVA and two associated line bays in the state of Madhya Pradesh. All elements of the transmission system were completed and commissioned by August 2019.

This transmission system is regulated by CERC. We obtained a 25-year transmission license from CERC for the operation of the Chhattisgarh-WR transmission system on February 29, 2016. The transmission license issued by CERC for this transmission system will expire on February 28, 2041, unless renewed in accordance with applicable CERC tariff regulations.

9. Raipur-Rajnandgaon-Warora Transmission Limited ("RRWTL") transmission system

RRWTL, a wholly-owned Subsidiary of our Company, owns, operates and maintains one ISTS, the Raipur-Rajnandgaon-Warora transmission system in the states of Chhattisgarh and Maharashtra.

The Raipur-Rajnandgaon-Warora transmission system consists of a 765 kV double circuit line from Raipur to Rajnandgaon and a 765 kV double circuit line from Rajnandgaon to new pooling station near Warora, with a total transmission length of 611 ckms. This transmission system also consists of a 765 kV switching substation near Rajnandgaon, Chhattisgarh. All elements of the transmission system were completed and commissioned by May 2019.

This transmission system is regulated by CERC. We obtained a 25-year transmission license from CERC for the operation of the Raipur-Rajnandgaon-Warora transmission system on February 29, 2016. The transmission license issued by the CERC for this transmission system will expire on February 28, 2041, unless renewed in accordance with applicable CERC tariff regulations.

10. Sipat Transmission Limited ("STL") transmission system

STL, a wholly-owned Subsidiary of our Company, owns and operates one ISTS, the Sipat-Rajnandgaon transmission system in the state of Chhattisgarh.

The Sipat-Rajnandgaon transmission system consists of a 24 ckms 765 kV single circuit transmission line from Sipat STPP to Bilaspur Pooling Station and a 324 ckms 765 kV double circuit transmission line from Bilaspur pooling station to Rajnandgaon, as well as a 765 kV line bay at Sipat NTPC substation. All elements of the transmission system were completed and commissioned by March 2019.

This transmission system is regulated by CERC. We obtained a 25-year transmission license from CERC for the operation of the Sipat-Rajnandgaon transmission system on March 7, 2016. The transmission license issued by the CERC for this transmission system will expire on March 6, 2041, unless renewed in accordance with applicable CERC tariff regulations.

11. Hadoti Power Transmission Service Limited ("HPTSL") transmission system

HPTSL, a wholly-owned Subsidiary of our Company, owns and operates one InSTS, the Hadoti Power transmission system in the state of Rajasthan.

The Hadoti Power transmission system consists of 220 kV and 132 kV grid substations with a total transmission length of 116 ckms. The transmission asset has a transformation capacity of 310 MVA. All elements of the transmission system were completed and commissioned by February 20, 2019.

This transmission system is regulated by RERC. We obtained a 25-year transmission license from RERC for the construction and maintenance of the Hadoti transmission system on November 1, 2017, effective from November 9, 2017. The transmission license issued by the RERC for this transmission system will expire on November 8, 2042, unless renewed in accordance with applicable RERC tariff regulations.

12. Barmer Power Transmission Service Limited ("BPTSL") transmission system

BPTSL, a wholly-owned Subsidiary of our Company, owns and operates one InSTS, the Barmer transmission system in the state of Rajasthan.

The Barmer Power transmission system consists of a 132 kV grid substation, associated transmission lines and other associated schemes and works under Raj/PPP-9 with a total transmission length of 133 ckms. The transmission system has a transformation capacity of 150 MVA. All elements of the transmission system were completed and commissioned by January, 2019.

This transmission system is regulated by RERC. We obtained a 25-year transmission license from RERC for the construction and maintenance of the Barmer Power transmission system on November 1, 2017, effective from November 9, 2017. The transmission license issued by RERC for this transmission system will expire on November 8, 2042, unless renewed in accordance with applicable RERC tariff regulations.

13. *Thar Power Transmission Service Limited ("TPTSL") transmission system*

TPTSL, a wholly-owned Subsidiary of our Company, owns and operates one InSTS, the Thar Power transmission system in the state of Rajasthan.

The Thar Power transmission system consists of a 132 kV grid substation, associated transmission lines and other associated schemes and works under Raj/PPP-10 with a total transmission length of 164 ckms. The transmission system has a transformation capacity of 125MVA. All elements of the transmission system were completed and commissioned by January 2019.

This transmission system is regulated by RERC. We obtained a 25-year transmission license from RERC for the construction and maintenance of the Thar Power transmission system on November 1, 2017, effective from November 9, 2017. The transmission license issued by RERC for this transmission system will expire on November 8, 2042, unless renewed in accordance with applicable RERC tariff regulations.

14. *Adani Transmission Bikaner Sikar Private Limited ("ATBSPL") transmission system*

ATBSPL, a Subsidiary of our Company, was previously known as KEC Bikaner Sikar transmission Private Limited before its name was changed on August 24, 2019. ATBSPL owns and operates one InSTS, the ATBSPL transmission system in the state of Rajasthan.

The ATBSPL transmission system consists of a 343 ckms 400 kV transmission line from Bikaner to Sikar in Rajasthan. All elements of the transmission system were completed and commissioned by December 4, 2017.

This transmission system is regulated by RERC. The transmission asset operates under a 25-year transmission license from RERC for the construction and maintenance of the ATBSPL transmission system that was granted on March 4, 2016, effective from March 15, 2016. The transmission license issued by RERC for this transmission system will expire on March 14, 2041, unless renewed in accordance with applicable RERC tariff regulations.

15. *Alipurduar Transmission Limited ("APTL") transmission system*

APTL, a Subsidiary of our Company which was acquired by ATL in November, 2020, owns and operates one ISTS, the Alipurduar transmission system in the states of West Bengal and Bihar.

The Alipurduar transmission system consists of Alipurduar – Siliguri and Kishanganj–Darbhanga 400 kV double circuit transmission lines of a total transmission length of 650 ckms, two 400 kV linebays at Darbhanga and Kishanganj with 400 kV DC (quad) line and 80 MVAr switchable line reactors (with 400-ohm NGR) in each circuit. All elements of the transmission system were completed and commissioned by January 2020.

This transmission system is regulated by CERC. The transmission system operates under a 25-year transmission license from CERC for the construction and maintenance of Alipurduar transmission Assets, that was granted on March 21, 2016. The transmission license issued by the CERC for this transmission system will expire on March 20, 2041, unless renewed in accordance with applicable CERC tariff regulations.

16. *Fatehgarh-Bhadla Transmission Limited ("FBTL") transmission system*

FBTL, a wholly-owned Subsidiary of our Company, owns, operates and maintains one ISTS, the Fategarh Bhadla transmission system in the state of Rajasthan.

The Fategarh Bhadla transmission system consists of 765 kV double circuit transmission line from Fategarh Pooling Station to Bhadla of a total transmission length of 292 ckms, a 400 kV Fategarh Pooling Station and two 400 kV line bays and one 125 MVAR bus reactor with associated bays at Fategarh Pooling Station This transmission asset is used to evacuate power from the Ultra Mega Solar Park located in Fatehgarh in Jaisalmer district, Rajasthan. All elements of the transmission system were completed and commissioned by July 2021.

This transmission system is regulated by CERC. We obtained a 25-year transmission license from CERC for the Fategarh Bhadla transmission system on August 27, 2018. The transmission license issued by the CERC for this transmission system will expire in August 26, 2043, unless renewed in accordance with applicable CERC tariff regulations.

17. *Bikaner Khetri Transmission Limited ("BKTL") transmission system*

BKTL, a wholly-owned Subsidiary of our Company, was acquired through a tariff based competitive bidding process and received a letter of intent to build, own, operate and maintain the transmission asset in the state of Rajasthan for a period of 35 years. Subsequently, we entered into a share purchase agreement to acquire BKTL from PFC Consulting on September 19, 2019. Bikaner Khetri Transmission Limited owns, operates and maintains one ISTS, the Bikaner Khetri transmission system in the state of Rajasthan.

The Bikaner Khetri transmission system consists of Bikaner – Khetri 765 kV double circuit transmission line of a total transmission length of 481 ckms, two line bays at Bilkaner and Khetri, one 240 MVAr switchable line reactor for each circuit, one 80 MVAr 765 kV 1-ph reactor and two 240 MVAr line reactor on Bikaner-Khetri transmission line at Bikaner end. This transmission asset is used to establish a transmission system associated with long term applications from the Rajasthan SEZ Part-D. All elements of the transmission system were completed and commissioned by September 2021.

This transmission asset is regulated by CERC. We obtained a 25-year transmission license from CERC for the Bikaner Khetri transmission system on December 27, 2019. The transmission license issued by the CERC for this transmission system will expire in December 26, 2044, unless renewed in accordance with applicable CERC tariff regulations.

18. Ghatampur Transmission Limited ("GTL") transmission system

GTL, a wholly-owned Subsidiary of our Company, owns, operates and maintains one InSTS, the GTL transmission system in the state of Uttar Pradesh.

GTL transmission system consists of a 400 kV double circuit Ghatampur - Kanpur transmission line, a 765 kV single circuit Ghatampur – Agra transmission line, a 189 MVAR line reactor, a 65 kV single circuit Agra – Noida transmission line and a 240 MVAR line, 765 kV feeder bay at two substations and a 765 kV single circuit Ghatampur – Hapur transmission line, a 330 MVAR line reactor and a 765 kV feeder bay with a total transmission length of 897 ckms. All elements of the transmission system were completed and commissioned by March 2021. This transmission asset is used to evacuate power from the three 660 MW Ghatampur Thermal Power Project.

This transmission asset is regulated by UPERC. The transmission asset operates under a 25-year transmission license from UPERC for the GTL transmission system on November 15, 2018. The transmission license issued by the UPERC for this transmission system will expire in November, 2043, unless renewed in accordance with applicable UPERC tariff regulations.

19. Obra-C Badaun Transmission Limited ("OBTL") transmission system

OBTL, a wholly-owned Subsidiary of our Company, owns, operates and maintains one InSTS, the Obra transmission system in the state of Uttar Pradesh.

The Obra transmission system consists of LILO of 765 kV Anapara 'D' Unnao single circuit transmission line at Obra-C-TPS, 400/220/132 kV (GIS) substations (two 315 and two 160) 2020 MVA at Badaun, 400 kV double circuit Roza – Badun line, (Line in Line Out ("LILO") of 220 kV C.B.Ganj (220kV) – Badaun (220kV) SC line at 400 kV Badaun substation, LILO of 220 kV Chandausi (220kV) - Badaun (220kV) SC line at 400 kV Badaun substation, 132kV Badaun Ujhani – Badaun (400 kV) SC line and 132 kV Bilsi – Badaun (400kV) SC line, two 132 kV bays at Ujhani and Bilsi substation, two 400 kV bays at Badun substations and 400 kV double circuit Janpur – Obra transmission line with a total transmission length of 630 ckms and with a transformation capacity of 950 MVA. All elements of the transmission system were completed and commissioned by June 2022. This transmission system is used to evacuate power from two 660MW Thermal Power Plant in Obra C.

This transmission system is regulated by UPERC. We obtained a 25-year transmission license from UPERC for the Obra transmission system on July 5, 2019. The transmission license issued by the UPERC for this transmission system will expire in July 4, 2044, unless renewed in accordance with applicable UPERC tariff regulations.

20. Lakadia Banaskantha Transco Limited ("LBTL") transmission system

LBTL, a wholly-owned Subsidiary of our Company, owns, operates and maintains one InSTS, the Lakadia Banaskantha transmission system in the state of Gujarat.

The Lakadia Banaskantha transmission system consists of a 765 kV double circuit Lakadia PS – Banaskantha PS transmission line, 765 kV bays at Lakadia and Banaskantha substations and two 240 MVAr switchable line reactor along with bays at Banaskantha end of the Lakadia PS – Banaskantha PS transmission lines and a 765 kV 1 ph switchable line reactor at Banaskantha end with a total transmission length of 351 ckms. All elements of the transmission system were completed and commissioned by September 2022. This transmission system is used to establish the transmission system associated with RE Generations at Bhuj-II, Dwarka and Lakadia.

This transmission system is regulated by CERC. We obtained a 25-year transmission license from CERC for the Lakadia Banaskantha transmission system on March 3, 2020. The transmission license issued by the CERC for this transmission system will expire in March 2, 2045, unless renewed in accordance with applicable CERC tariff regulations.

21. WRSS XXI (A) Transco Limited ("WTL") transmission system

WTL, a wholly-owned Subsidiary of our Company, owns, operates and maintains one InSTS, the Lakadia-Bhuj transmission system in the state of Gujarat.

The WRSS XXI (A) system consists of two 1500 MVA, a 765/400 kV Lakadia PS with 765 kV and 420 kV bus reactor, LILO of Bhachau-EPGL 400 kV double circuit line at Lakadia PS, Bhuj PS-Lakadia PS 765 kV double circuit line and two 765 kV bays at Bhuj PS for Bhuj PS-Lakadia PS 765 kV double circuit line with a total transmission length of 292 ckms. All elements of the transmission system were completed and commissioned by October 2022. This transmission system is used to establish the transmission system for "Western Region Strengthening Scheme-21 (WRSS-21) Part A-Transmission System Strengthening for Relieving Over Loadings Observed in Gujarat Intra-State System due to RE Injections in Bhuj PS.

This transmission system is regulated by CERC. We obtained a 25-year transmission license from CERC for the Lakadia-Bhuj transmission system on January 24, 2020. The transmission license issued by the CERC for this transmission system will expire in January 23, 2025, unless renewed in accordance with applicable CERC tariff regulations.

22. Jam Khambaliya Transco Limited ("JKTL") transmission system

JKTL, a wholly-owned Subsidiary of our Company, owns, operates and maintains one InSTS, the Jam Khambaliya transmission system in the state of Gujarat.

The Jam Khambaliya transmission system consists of four 500 MVA 400/220 kV Jam Khambhaliya pooling station, one 125 MVAr 420 kV Bus reactor at Jam Khambhaliya pooling station, interconnection of Jam Khambhaliya pooling station with to provide connectivity to RE projects in Dwarka and installation of 400/220 kV ICT along with associated bays at M/s CGPL Switchyard with a total transmission length of 37 ckms. All elements of the transmission system were completed and commissioned by April, 2022.

This transmission system is regulated by CERC. We obtained a 25-year transmission license from CERC for the Jam Khambaliya transmission system on March 24, 2020. The transmission license issued by the CERC for this transmission system will expire in March 23, 2045, unless renewed in accordance with applicable CERC tariff regulations.

23. Warora Kurnool Transmission Limited ("WKTL") transmission system

WKTL, a wholly-owned Subsidiary of our Company, owns and operates and maintains one InSTS, the Warora Kurnool transmission system in the states of Maharashtra, Andhra-Pradesh and Telangana.

The Worora-Kurnool transmission system consists of 765/400 kV substations at Warangal with two 1,500 MVA transformers and two 240 MVAR bus reactors transformers, 765 kV double circuit Warora Pool – Warangal transmission line with 240 MVAR switchable line reactor at both ends of each circuit, 765 kV double circuit Warora - Hyderabad transmission lines with 240 MVAR switchable line reactor at both ends of each circuit, 400 kV double circuit Warangal – Warangal transmission line, 765 kV double circuit Hyderabad - Kurnool transmission line with 240 MVAR switchable line reactors at Kurnool end of each circuit, 765 kV double circuit Waranal - Chilakaluripeta transmission line with 240 MVAR switchable line reactors at both ends of each circuit and 240 MVAR switchable line reactors at Warora pool end in each circuit of Warora Pool – Rajnandgaon transmission line with a total transmission length of 1,756 ckms. All elements of the transmission system were completed and commissioned by September, 2023. This transmission system is used to establish additional inter-regional AC link for import into Southern region, being the Warora-Warangal and Chilakaluripeta-Hyderabad-Kurnool 765 kV link

This transmission system is regulated by CERC. We obtained a 25-year transmission license from the CERC for the Worora-Kurnool transmission system on September 29, 2016. The transmission license issued by the CERC for this transmission system will expire in September 28, 2041, unless renewed in accordance with applicable CERC tariff regulations.

24. Karur Transmission Limited ("KTL") transmission system

KTL, a wholly-owned Subsidiary of our Company, owns and operates and maintains one InSTS in Karnataka.

The Karur transmission system consists of two 500 MVA, 400/230 kV Karur pooling station, LILO of two circuits of Pugalur – Pugalur (HVDC) 400 kV double circuit line at Karur pooling station and two 125 MVA 400 kV Bus reactors at Karur pooling station with a total transmission length of 9 ckms. All elements of the transmission system were completed and commissioned by September 2023. This transmission system is used to establish Transmission system for evacuation of Power from RE resources in Karur/ Tiruppur Wind Energy Zone (Tamil Nadu) (1000 MW) under phase-I.

This transmission system is regulated by CERC. We obtained a 25-year transmission license from CERC for the Karur transmission system on June 16, 2022. The transmission license issued by the CERC for this transmission system will expire in June 15, 2047, unless renewed in accordance with applicable CERC tariff regulations.

25. Kharghar-Vikhroli Transmission Limited ("KVTL") transmission system

KVTL, a wholly-owned Subsidiary of our Company, owns and operates and maintains one InSTS in Maharashtra.

The Kharghar-Vikhroli transmission system consists of a 400 kV Kharghar – Vikhroli double circuit and M/C line with bays at Kharghar and Vikhroli (with conductor capacity of 2,000 MW per circuit) along with 400 kV Bus extension at 400 kV Kharghar end, LILO on 400 kV Talegoan-Kalwa line at 400 kV Vikhroli GIS S/S with abys, LILO of existing 220 kV Trombay – Salsette I & II and 220 kV Trombay – Salsette III & IV at 400/220 kV Vikhroli S/S, installation of one 125 MVAR 400 kV bus reactor, 400/220 kV GIS substation with three 500 NVA 400/220 kV ICTs and diversion of existing 110 kV Dharavi – Salsette via Vikhroli lines with a total transmission length of 74 ckms. All elements of the transmission system were completed and commissioned by December, 2023. This transmission system is used to establish the transmission system for 400 kV in Vikhroli receiving station and associated incoming transmission lines for strengthening of the Mumbai transmission system.

This transmission system is regulated by the MERC. We obtained a 25-year transmission license from MERC for the Kharghar-Vikhroli transmission system on January 23, 2021. The transmission license issued by the MERC for this transmission system will expire on January 22, 2046, unless renewed in accordance with applicable MERC tariff regulations.

26. Khavda Bhuj transmission (KBTL) system

KBTL, a wholly-owned Subsidiary of our Company, owns and operates and maintains one InSTS in Gujarat.

Khavda Bhuj transmission system comprises of three 1,500 MVA 765/400 Khavda (GIS) with one 330 MVAR 765 kV bus reactor and one 125 MVAR 420 kV bus reactor, 765 kV double circuit Khavda pooling station (GIS) – Bhuj pooling station transmission line and 2 lines bays each at Bhuj pooling station for termination of the Khavda pooling station (GIS) – Bhuj pooling station 765 kV double circuit line. With total transmission length of 217 ckms. All elements of the transmission system were completed and commissioned by January 2024. This transmission system is used to establish transmission network for evacuation of 3GW RE injection at Khavda P.S. under Phase-I.

This transmission system is regulated by the CERC. We obtained a 25-year transmission license from CERC for the Khavda-Bhuj transmission system on June 16, 2022. The transmission license issued by the CERC for this transmission system will expire on June 15, 2047, unless renewed in accordance with applicable CERC tariff regulations.

27. Essar Transco Limited

Essar Transco Limited, a wholly-owned Subsidiary of our Company, owns and operates and maintains one ISTS in Madhya Pradesh and Chhattisgarh. The Essar Transco transmission system consists of 400 kV (quad moose conductor) D/C line from Mahan Thermal Power Plant to Sipat pooling sub-station (presently at Bharari, Bilaspur), 4 400 kV line bays at Mahan and Sipat and 5 50/80 MVAR reactors. This transmission system is used to evacuate the power from Mahan Thermal Power Plant.

This transmission system is regulated by the CERC. We obtained a 25 year transmission license from CERC for the Essar Transco transmission system on April 8, 2008, amended on November 23, 2023. The transmission license issued by the CERC for this transmission system will expire on April 7, 2033, unless renewed in accordance with applicable CERC tariff regulations.

Transmission Systems Under Construction

We are currently developing nine transmission systems.

1. North Karanpura transmission system

North Karanpura Transcomission Limited, a wholly-owned Subsidiary of our Company, is developing the North Karanpura transmission system. We were awarded this project through the BOOM basis to develop and operate a 304 ckms transmission line network. The transmission system will consist of a 76 ckms 400 kV line from North Karanpura to Chandwa, a 222 ckms 400 kV line from North Karanpura to Gaya and a 2 ckms 400 kV line LILO of both circuits of Ranchi-Maithon at Dhanbad substation –RB, as well as a 400/220 kV, two 500 MVA substations at Dhanbad. North Karanpura to Chandwa transmission line achieved its commercial operation in October 2022 and the LILO line and substations at Dhanvad achieved their commercial operation in August 2021.

2. MP Package II transmission system

MP Power transmission Package-II Limited, a wholly-owned Subsidiary of our Company, is developing the MP Package II transmission system. We were awarded this project through the TBCB process to develop and operate a 1087 ckms transmission line network. The transmission system will comprise a 220/132/33kV substations at Ajaygar and Begamganj, a 220/132 kV substation at Bargawan, a 132/33 kV substations at MehaluwaChauraha, Narwar, Kanather, Beerpur, MES Gwalior, Khaniyadana, Chand, Kelorari, Devendranagar, Semariya, Khaira, Bahoribandh, a 220/33kV substations at Manpur, a 132/33kV substations at Gopalganj and Harrari and system strengthening works on the Digoda – Prithivipur 132 kV lines and

LILO of Nainpur – Mandla 132 kV at Baihar 132 kV s/s. 684 ckm and 14 substations have been commissioned throughout Fiscal 2023.

3. Adani Electricity Mumbai Infra Limited (AEMIL – HVDC Project)

Adani Electricity Mumbai Infra Limited (AEMIL), a wholly-owned Subsidiary of our Company, is developing the AEMI – HVDC Project of 80 ckms transmission line network. AMEL received its license from the MREC on March 21, 2021 for a 25-year term unless renewed in accordance with applicable MERC tariff regulations. The transmission system will comprise an extension of MSETCL AIS Bus along with 400kV GIS (five (05) Bay) at MSETCL kudus and 400kV GIS (five Bay) at AEML Kudus, two 320kV, 1000MW HVDC Converter (Rectifier) at Kudus, a 320kV, 1000MW HVDC Converter (Inverter) at Aarey, a double circuit 400kV overhead line with monopole between MSETCL Kudus and Kudus. Interconnection of existing AEML 220kV Aarey GIS with Aarey HVDC GIS system a 320kV HVDC transmission line from Kudus to Aarey- approx. 80kms route length which consists of 30 KM DC Overhead line from MSETCL Kudus Substation to Transition substation (outskirts of Mumbai (Vajreshwari Road, Shirsad Phata) and 50 KM DC underground cable system from Transition Substation (Vajreshwari Road, Shirsad Phata) to Aarey Substation.

4. WR-SR transmission system

WR-SR Transmission Limited, a wholly-owned Subsidiary of our Company, is developing the WR-SR transmission system. We were awarded this project through the TBCB process to develop and operate a 630 ckms transmission line network. The transmission system will comprise a 765 kV double circuit Narendra (GIS) – Pune (GIS) transmission line with one 330 MVAr switchable line reactor on each ckt at both ends and an upgrade of Nerendra GIS to its rated voltage of 765 kV along with four 1,500 MVA transformer and two 330 MVAr bus reactor.

5. Khavda-II-A transmission system

Khavda-II-A Transmission Limited, a wholly-owned Subsidiary of our Company, is developing the KTL transmission system. We were awarded this project through the TBCB process to develop and operate a 355 ckms transmission line network. The transmission system will comprise a 765 kV double circuit KPS2 – Lakadia transmission line, a 330 MVAR switchable line reactors at KPS 2 end of the KPS2 – Lakadia transmission line and 2 765 kV line bays each at Lakadia pooling station and KPS2 (GIS) for the Khavda – Lakadia transmission line.

6. KPS 1 transmission system

KPS 1 Limited, is developing the KPS 1 transmission system. KPS 1 Limited is 49% owned by us and 51% owned by Megha Engineering Infrastructure Limited. We were awarded this project through the TBCB process to develop and operate a 42 ckms transmission line network. The transmission system will comprise a 765 kV double circuit KPS1 -Khavda pooling station transmission line and an augmentation of Khavda PS1 with four 1,500 MVA 765/400 kV transformation capacity with a 330 NVAR 7,658 kV bus reactor and a 125 MVAR 420 kV bus reactor on the second 765 kV and 400 kV bus section, respectively.

7. Sangod transmission system

Sangod Transmission Services Limited, a wholly-owned Subsidiary of our Company, is developing the Sangod transmission system. We were awarded this project through the TBCB process to develop and operate a 15 ckms transmission line network. The transmission system will comprise a two 400/220kV, 500 MVA GSS at Sangod along with 220/132kV, 160 MVA transformer and LILO of one circuit of 400 kV double circuit Kalisindh-Anta line at 400 kV GSS Sangod and feeder bays.

8. Khavda Ph-III Part A

Halvad Transmission Limited (HTL), a wholly-owned Subsidiary of our Company, is developing the Khavda Ph-III Part A system. We were awarded this project through the TBCB process to develop and operate a 560 ckms transmission line network. The transmission system will comprise a 765 kV Halvad switching station with two 765 kV 330 MVAr bus reactors, a double circuit KPS2 (GIS) – Halvad transmission line, 240 switchable line reactor on each ckt at both ends of the KPS2 (GIS) – Halvad transmission line, two 765 kV GIS line bays at KPS2 for termination of the KPS2 (GIS) – Halvad transmission line and LILO of the Lakadia – Ahmedabad 765 kV double circuit line at Halvad.

9. Khavda pooling station augmentation project

Khavda Transmission Limited, is developing the Khavda pooling station augmentation project. We were awarded this project under RTM route where we, as an existing licensee will get the additional scope under Section 62.

Distribution Business

We operate our electricity distribution business through our Subsidiaries AEML and MUL. As of June 30, 2024, our distribution assets included AEML's 573 ckms of 220 kV transmission lines and an embedded 500 MW power plant and MUL's 151 ckms of 220, 66, 33,11 and 0.415 kV transmission lines. As of June 30, 2024, we served over 3.20 million households (representing approximately 13 million distribution customers) and 100 industrial customers of MUL with an annual energy requirement of approximately 12,285 MUs (11,624 MUs through AEML and ASL and 661 MUs through MUL).

We have applied for a parallel distribution license with the regulators to be able to offer distribution services in Navi Mumbai, Thane, Maharashtra, Gautam Buddha Nagar and Mundra subdistrict.

The following table sets forth some of our key performance statistics for our distribution business for Fiscals 2024, 2023 and 2022:

AEML

	Year ended March 31,		
	2024	2023	2022
Sales			
Network sales (MUs)(1)	11,624	10,818	9,725
Own sales (MUs) (2)	9,916	9,062	7,972
Peak demand (3)	2,161	2,056	1,737
Consumer			
Network households (in millions) (4)	3.18	3.13	3.08
Own households (in millions) (5)	2.65	2.58	2.52
Power Distribution Assets			
High-tension cables (km)	5,164	5,060	4,973
Low-tension cables (km) (including service cables and street light cables) (5)	20,913	20,589	20,304
Number of distribution transformers	7,383	7,252	7,220
Number of power transformers	247	244	234
Distribution Capacity			
Distribution transformers (MVA)	5,484	5,379	5,300
Power transformers (MVA)	4,577	4,507	4,337

(1) Units consumed by consumers that are billed by AEML or the transmission assets connected to our distribution assets.
(2) Units consumed by consumers that are billed by AEML or the transmission assets connected to our distribution assets.
(3) Maximum demand at a particular point of time in the period.
(4) Consumers billed by AEML or the transmission assets connected to our distribution assets.
(5) Consumers billed by AEML or the transmission assets connected to our distribution assets.

MUL

	Year ended March 31,		
	2024	2023	2022
Sales			
Network sales (MUs)(1)	661	389	371
Own sales (MUs) (2)	661	389	371
Peak demand (3)	115	69	60
Consumer			
Bulk consumers (in nos.) (4)	96	89	81
Power Distribution Assets			
High-tension cables (km)	225	140	130
Low-tension cables (km) (including service cables and street light cables) (5)	12	11	10
Number of distribution transformers	8	8	8
Number of power transformers	14	9	7
Distribution Capacity			
Distribution transformers (MYA)	3	3	3
Power transformers (MVA)	707	357	325

(1) *Units consumed by consumers that are billed by MUL or the transmission assets connected to our distribution assets.*
(2) *Units consumed by consumers that are billed by MUL or the transmission assets connected to our distribution assets.*
(3) *Maximum demand at a particular point of time in the period.*

(4) *Consumers billed by MUL or the transmission assets connected to our distribution assets.*
(5) *Consumers billed by MUL or the transmission assets connected to our distribution assets.*

AEML

Our Company owns 74.9% of the shares of AEML and the remaining 25.1% is held by Qatar Investment Authority. We acquired our stake in AEML from R-Infra on August 29, 2018. The transaction marked our foray into the power distribution space and also increased our existing footprint in the power transmission sector.

Retail and wire businesses

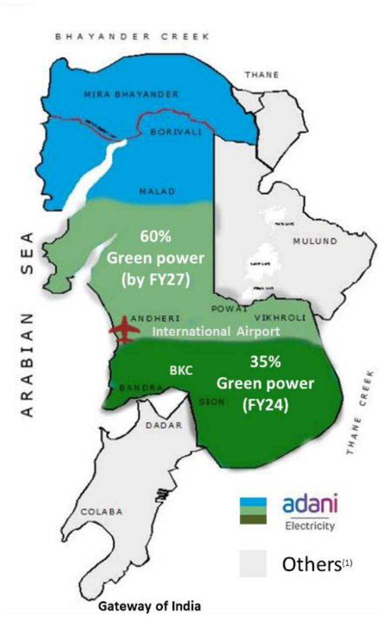
AEML is the leading private power distributor in the Mumbai with 3.18 million customers as of Fiscal 2024.[32] As of March 31, 2024, out of the private power distributor in Mumbai, AEML catered to 63% of the consumer count.[33] AEML's distribution asset spans over 400 sq. km, and it distributed approximately 2,161 MW of peak demand power to over 3.18 million households (representing approximately 13 million distribution customers) with annual energy requirement of approximately 11,624 MUs in our licensed areas in Mumbai, based on data available as at March 31, 2024. The areas served by AEML's distribution asset includes the suburban areas of Mumbai and the Mira-Bhayander Municipal Corporation area in the Thane District of the state of Maharashtra, India. The entire licensed area is an urban mix of residential, commercial and industrial consumers, and growth in our distribution network is fuelled by the ever increasing electricity consumption of Mumbai.

AEML's power distribution network in Mumbai primarily consists of underground cables. As of March 31, 2024, our wire network consisted of approximately 51,64 km of high-tension cables, approximately 20,913 km of low-tension cables (including service cables and streetlight cables) and approximately 8,335 substations. AEML's distribution asset includes 573 ckms of 220 kV transmission lines and an embedded 500 MW power plant in Dahanu. Through AEML, we hold a distribution license and a transmission license granted under Section 14 of the Electricity Act that will be in force for a period of 25 years starting from August 16, 2011.

The two maps below show the AEML distribution licensee area and distribution network coverage map in Mumbai:

AEML Distribution Licensee Area

AEML Distribution Network Coverage Map



(1) Others include BEST, MSEDCL and Tata Power

[32] Source: CRISIL
[33] Source: CRISIL

Source of power

AEML sources its power requirement through various power purchase agreements ("**PPAs**") in addition to our embedded generation of 500 MW sourced from ADTPS. AEML has a rational mix of short-term power purchase agreements and long-term power purchase agreements.

Further to the PPAs, we also have the following options for power procurement:

- Any shortfall, after taking into consideration 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, the GoI) and power exchanges.

  - We also have proprietary membership of power exchanges, such as Indian Energy Exchange Limited, Power Exchange India Limited and Hindustan Power Exchange and based on our requirement, we purchase electricity from power exchanges which operates as a national level platform. 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 also 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 also have a standby facility with MSEDCL in the event of any scheduled or unscheduled outages to ensure reliability of supply to our consumers in Mumbai.

Customer base

There is a large customer base and growing energy consumption in the Mumbai area served by AEML. From Fiscal 2022 to the Fiscal 2024, AEML's customers increased by 3.2% from 3.08 million customers to 3.18 million households (representing approximately 13 million distribution customers). The energy wheeled through AEML's distribution network, has grown by 1,899 MUs, or 19.5%, from 9,725 MUs in Fiscal 2022 to 11,624 MUs in Fiscal 2024. The maximum energy demand in the area has increased by 24.41% from 1,737 MW in the Fiscal 2022 to 2,161 MW in Fiscal 2024.

Billing cycle

We carry out monthly billing for our consumers with a meter reading cycle spread over an entire month. Consumers are given a specified period to pay their bills in accordance with MERC regulations. Non-payment by any consumer during this period results in delayed payment charges and interest, while a continued failure to pay results in a consumer being disconnected from our supply of electricity, in compliance with MERC regulations. Our collection efficiency is close to 100%. The electricity is supplied to premises and not to individuals. Thus, any default is required to be paid by any subsequent occupant of the premise.

The energy wheeled through our distribution network has increased by 1,899 MUs from 9,725 MUs in the Fiscal 2022 to 11,624 MUs in Fiscal 2024, representing an increase of 19.5%, mainly as a result of an increase in demand and our acquisition of consumers.

We have continued to improve upon AEML's operational performance and efficiency since it was acquired in 2018. In Fiscals 2024, 2023 and 2022, AEML achieved an average system availability index of 99.79%, 99.77% and 99.68%, respectively, and only had a distribution loss of 5.29%, 5.93% and 6.55%.

Power Generation

In addition to its distribution network, AEML owns and operates a washed coal-fired 500 MW thermal power plant, ADTPS, at Dahanu in the state of Maharashtra located approximately 120 kilometers from AEML's licensed distribution area in Mumbai. ADTPS operates two 250 MW generating units. ADTPS is situated between the Savata and Dandi creeks on an 848.9 hectare site comprised of land for which we have a perpetual concession from the Government of Maharashtra and land which we've acquired from other parties.

ADTPS requires, on a full load basis, approximately 2.5 million tons of coal per year. In Fiscals 2022, 2023 and 2024, the Dahanu power plant consumed 1.99 million tons, 2.22 million tons and 2.15 million tons of coal respectively. We import coal to supplement the domestic coal supply from SouthEastern Coalfields Limited. Imported coal is blended with domestic coal before being used as fuel at ADTPS, thereby leading to an enhanced combination of cost, efficiency and heat value as well as enhanced environmental performance.

The power to start up the boilers of ADTPS when both units are under shutdown is supplied through a connection availed for start-up power from the local licensee, i.e. MSEDCL. Such connection is billed at the industrial tariff of the distribution licensee. The Irrigation Department of the Government of Maharashtra supplies fresh water from the source of the Dhamni dam of the Surya Project to ADTPS. The water supply agreement permits a draw of 5,480 cubic meters of water per day. In addition, ADTPS also uses demineralized water to cool its equipment.

At full capacity, ADTPS can produce 12 MUs per day. All of ADTPS' capacity is transmitted through AEML's transmission network to its distribution network in Mumbai. The power supply from ADTPS represents approximately 26% of the power distributed in AEML's licensed area in Mumbai as of March 31, 2024. ADTPS is party to a power purchase arrangement with AEML's distribution business to supply 500 MW of electricity for a period from February 23, 2023 to March 31, 2025.

	Year ended March 31,		
	2024	**2023**	**2022**
Parameters			
PLF (%)	73.96	79.88	76.21
Generation (MUs)	3,248.48	3,498.92	3,337.96
Availability (%)	92.09	95.82	90.75

Between 2004 to 2022, ADTPS had an average PLF of 76.57% and an average availability of 95.28%. The following table sets forth certain operating performance data of the Dahanu power plant for Fiscals 2024, 2023 and 2022.

	Year ended March 31,		
	2024	**2023**	**2022**
PAF (%)	92.09	95.82	90.75
PLF (%)	73.96	79.88	76.21
Aux Consumption (%)	10.28	9.86	9.9
Generations (Mus)	3,248.49	3,498.92	3,337.96
SHR	2,272	2,265	2,262
GCV	3,423.25	3,563	3,793
Coal Cost (Rs PMT)	5,128.00	6,220	5,358.0

AEML is in the process to divest ADTPS to honor its ESG commitment. The board of directors of AEML, pursuant to the resolution passed at its meeting concluded on July 24, 2024, has approved the divestment of ADTPS to one of its related parties, subject to requisite regulatory approval at the transaction price of ₹815.00 crore against the carrying value in books of ₹2,321.02 crore and hence ₹1,506.02 crore has been charged in the statement of profit and loss as exceptional item in accordance with Ind AS 105.

MUL

On December 15, 2021, we signed a share purchase agreement with ASPEZ for the acquisition of MUL, which is now a wholly-owned Subsidiary of our Company. This transaction consolidated our distribution businesses under our Company.

The electricity distribution business currently operated by MUL has been in operation since August 2010. MUL's distribution asset spans over 85 sq. km and has a transmission network of 237 ckms. Under MUL, we distributed approximately 75.5 MW of power to 96 customers in our licensed areas in Mundra SEZ with an annual energy requirement of approximately 661 MUs, based on data available as of March 31, 2024. The areas served by MUL's distribution asset includes the SEZ areas in Mundra SEZ. The entire licensed area is industrial.

MUL's power distribution network in Mundra SEZ primarily consists of overhead and underground network. As of March 31, 2024, our wire network consisted of high-tension cables, low-tension cables (including service cables and streetlight cables) and approximately 7 substations MUL's distribution asset includes 237 ckms of 220, 66, 33, 11, 0.415 kV of overhead and underground transmission lines.

In Fiscal 2024, we sold 661 MUs through MUL.

There is a large customer base and growing energy consumption in the Mundra SEZ area served by MUL. The energy wheeled through MUL's distribution network, has grown by 290 MUs, or 78.17%, from 371 MUs in Fiscal 2022 to 661 MUs in Fiscal 2024. The maximum energy demand in the area has increased by 91.67% from 60 MUs in Fiscal 2022 to 115 MUs Fiscal 2024.

The map below shows the MUL distribution licensee area and distribution network coverage map in Mundra SEZ:

Smart Metering Business

We recently entered the smart metering business in Fiscal 2023. We operate our smart metering business through AESL and our wholly-owned Subsidiaries of our Company, BEST Smart Metering Limited, NE Smart Metering Limited, Adani Transmission Step-Six Limited, Adani Transmission Step-Seven Limited and Adani Transmission Step-Eight Limited. The smart metering projects were awarded to us under the TBCB mechanism. Our scope includes the installation of smart-meters, offering communication networks, cloud infrastructure and data management systems, providing end-to-end smart metering services under the Design-Build-Finance-Own-Operate-and-Transfer ("**DBFOOT**") model, where all consumers points, distribution points and feeders will be smart metered to enable complete energy accounting with no manual intervention.

Smart meters measure electricity consumption and communicates the consumption reading to power utility companies automatically on a real time basis. Smart meters also enable two-way communication between the meter and the power utility company through cellular communication or radio frequency. Smart meters can monitor consumption more precisely, thereby enabling more informed energy choices. These meters nullify power theft and help improve a discom's billing efficiency. For more details on smart meters see "*Our Industry*" on page 119.

In order to receive payments for the use of smart meters from consumers, we are required to establish a direct debit facility ("**DDF**") through which we will be able to receive payments via a chosen payment gateway and Direct Debit Agent Bank Account at the end of each payment cycle.

As of June 30, 2024, we have entered into nine contracts totaling 22.8 million smart meters. The table below sets forth certain details of our smart meter contracts.

Sr No	Company Name	Project Name	Counter Party Name	Contract Date	No. of Meters
1	*BEST Smart Metering Limited*	BEST smart metering project	Brihanmumbai Electric Supply & Transport Undertaking ("**BEST**")	March 10, 2023	1.08 million
2	*NE Smart Metering Limited*	APDCL smart metering project	Assam Power Distribution Company Limited ("**APDCL**")	September 14, 2023	0.77 million
3	*Adani Transmission Step-Six Limited*	MSEDCL smart metering projects	Maharashtra State Electricity Distribution Co. Ltd ("**MSEDCL**")	November 11, 2023 and November 21, 2023	13.32 million
4	*Adani Transmission Step-Seven Limited*	Andhra Pradesh smart metering projects	Eastern Power Distribution Company of A.P. Limited, Andhra Pradesh Central Power Distribution Corporation Ltd ("**APCPDCL**") and Southern Power Distribution	July 4, July 12 and July 10, 2023	4.12 million

Sr No	Company Name	Project Name	Counter Party Name	Contract Date	No. of Meters
			Company of Andhra Pradesh Limited ("**APSPDCL**")		
5	*Adani Transmission Step-Eight Limited*	UPCL smart metering project	Uttarakhand Power Corporation Limited ("**UPCL**")	March 6, 2024	0.66 million
6	*Adani Energy Solutions Limited*	NBPDCL smart metering project	North Bihar Power Distribution Company Limited ("**NBPDCL**")	October 27, 2023	2.84 million

1. BEST Smart Metering Limited

BEST Smart Metering Limited, a wholly-owned Subsidiary of our Company, is developing BEST smart metering project. We were awarded the contract to build and operate smart metering project on September 30, 2022 and we entered into a contract with BEST for a term of 10 years on March 10, 2023.This asset will comprise of 1.08 million smart meters and we will be able to recognize revenue once 5% of the total contracted smart meters have been installed. At the end of the term of the contract, we are required to transfer ownership of the smart meters to BEST.

2. NE Smart Metering Limited

NE Smart Metering Limited, a wholly-owned Subsidiary of our Company, is developing the APDCL smart metering project. We were awarded the contract to build and operate smart metering project on February 7, 2023 and on September 14, 2023 we have entered into a contract with APDCL for a term of 10 years or as soon as the meter months exceeds the total meter months on September 14, 2023. This asset will comprise 0.77 million smart meters and we will be able to recognize revenue once 5% of the total contracted smart meters have been installed. At the end of the term of the contract, we are required to transfer ownership of the smart meters to APDCL.

3. Adani Transmission Step-Six Limited

Adani Transmission Step-Six Limited, a wholly-owned Subsidiary of our Company, is developing the MSEDCL smart metering projects. We were awarded the contracts to build and operate smart metering projects on August 7, 2023 and on August 23, 2023 and have entered into contract with MSEDCL dated November 11, 2023 and November 21, 2023 for a term of 10 years or as soon as the meter months exceeds the total meter months. This asset will comprise 8.08 million and 5.25 million smart meters, respectively and we will be able to recognize revenue once 5% of the total contracted smart meters have been installed. At the end of the term of the contract, we are required to transfer ownership of the smart meters to MSEDCL.

4. Adani Transmission Step-Seven Limited

Adani Transmission Step-Seven Limited, a wholly-owned Subsidiary of our Company, is developing the Andhra Pradesh smart metering projects. We were awarded the contract to build and operate smart metering projects on June 3 and June 5 2023, June 6, 2023 September 9, 2023, November 14, 2023, and December 6, 2023 and have entered into contracts with Eastern Power Distribution Company of A.P. Limited, APCPDCL and APSPDCL dated July 4, July 12 and July 10, 2023, respectively for a term of 10 years or as soon as the meter months exceeds the total meter months. This asset will comprise 1.08 million, 1.72 million and 1.32 million smart meters and we will be able to recognize revenue once 5% of the total contracted smart meters have been installed. At the end of the term of the contract, we are required to transfer ownership of the smart meters to Eastern Power Distribution Company of A.P. Limited.

5. Adani Transmission Step-Eight Limited

Adani Transmission Step-Eight Limited, a wholly-owned Subsidiary of our Company, is developing the UPCL smart metering project. We were awarded the contract to build and operate smart metering project on December 6, 2023 and have entered into a contract with UPCL dated March 6, 2024 for a term of 10 years. This asset will comprise 0.66 million smart meters and we will be able to recognize revenue once 5% of the total contracted smart meters have been installed. At the end of the term of the contract, we are required to transfer ownership of the smart meters UPCL.

6. Adani Energy Solutions Limited

Our Company is developing the NBPDCL smart metering project. We were awarded the contract to build and operate smart metering project on August 30, 2023 and have entered into a contract with NBPDCL for a term of 10 years on October 27, 2023. This asset will comprise 2.84 million smart meters and we will be able to recognize revenue once 5% of the total contracted smart meters have been installed. At the end of the term of the contract, we are required to transfer ownership of the smart meters to NBPDCL.

Operations and Maintenance

Our success lies in delivering excellence at every stage of project execution, including operations and maintenance. We manage our O&M operations in-house.

Our O&M philosophy is focused on the following 4 tenets.

- ***Reliability**:* We have maintained high system availability above the threshold prescribed by our regulators. Our Engineering Network Operations Center ("**ENOC**") enhances our operations' efficiency, safety, and security. As a centralized hub, ENOC allows for remote operations, real-time network monitoring and management, facilitating swift incident response and proactive maintenance. We leverage data analytics for equipment failure prediction and performance optimization, supporting informed decision-making. Our video monitoring system and security automation system enables critical infrastructure surveillance and robust security against physical and cyber threats. Our asset performance management tools manage asset health, reducing downtime and operational costs, ensuring reliable power delivery.

- ***Longevity**:* We have implemented several measures to enhance the longevity of our operations. Our assets are managed through an SAP system with an analytical dashboard that monitors and diagnoses the health of our assets based on multiple test parameters. We have developed a Health Index formulation that assesses the condition and performance of our assets, enabling proactive maintenance and management. We also use a risk score and action plan framework to identify potential vulnerabilities in our infrastructure and outlines steps to mitigate these risks.

- ***Sustainability:*** We adhere to renowned or global processes including the Adani Business Excellence, Integrated Management System, Business Continuity Management, to enhance our business sustainability.

- ***Safety:*** We have adopted measures and safety framework with the goal of minimizing fatalities in O&M. We utilize smart patrolling with weather forecasting software, enabling us to anticipate and mitigate the impact of adverse weather conditions on our operations. We are exploring remotely operated robots equipped with smart cameras for areas with high electromagnetic interference fields, which will reduce human exposure to potentially hazardous environments.

The operation of our transmission systems is primarily our responsibility, although we are subject to the oversight of the RLDCs and the SLDCs. The RLDCs and SLDCs are responsible for system operation and control, including inter-state and intra-state power management, inter-state and inter-regional transfer of power, covering contingency analysis and operational planning on a real-time basis and the operation of regional and state-level unscheduled interchange pool accounts and regional and state-level reactive energy accounts. Consequently, our operations and maintenance strategy focuses primarily on maintenance and seeks to achieve the following objectives:

- to achieve the targeted system availability specified by the regulator/system administrator; and
- to optimize the life cycle cost of transmission lines by preventive actions.

Our maintenance division develops and tracks the preventive maintenance plan to help ensure a safe and reliable system. By performing preventative maintenance on our assets, we can minimize the need for reactive maintenance, which may adversely impact reliability and tends to be more costly than preventative maintenance. We also emphasize on-line techniques in order to minimize shutdown time for periodic maintenance checks and breakdown maintenance. We have adopted proven practices such as thermo-vision scanning, live line washing, on-line insulator detection and hot line repair techniques in order to achieve these objectives. Furthermore, to prepare for certain *force majeure* situations that cannot be predicted, transmission utilities have implemented alternative transmission systems, such as emergency restoration systems, and we provide the skilled labor necessary to install and operate these emergency restoration systems.

Our engineers were extensively involved in construction, testing and commissioning of the terminal stations, in order to absorb the technology. We, with the support of our technical team and expert engineers, have set up an in-house team to take care of the maintenance of substations.

Contracts and Tariffs

While payments are collected by CTUIL and respective state authorities, the ultimate beneficiaries of our transmission assets are the power generators, power distributors and other bulk consumers who pay the charges applicable for transmission of power to CTUIL or state authorities, as the case may be. The transmission charges that we can charge in connection with the transmission of electricity are set out in a TSA/tariff orders. We have also entered into a number of other material agreements that are key to the operation of our business.

Transmission Service Agreements

As some of our transmission systems have ISTS licenses, we are required to enter into a TSA with beneficiaries/ CTUIL with respect to these transmission systems. The TSA governs transmission services and the sharing of transmission charges and losses in accordance with the Sharing of Charges and Losses Regulations. Accordingly, the TSA provides the general terms and conditions with regard to various matters, including billing, collection and disbursement of transmission charges, metering and accounting, *force majeure*, change in law, events of default, termination and dispute resolution.

Bulk Power Transmission Agreements

As some of our transmission systems have InSTS licenses, we are required to enter into BPTAs with the respective state electricity transmission company in its capacity as STU with respect to these transmission systems. The BPTAs govern transmission services and the sharing of transmission charges and losses in accordance with the respective SERC tariff regulations. Accordingly, the BPTAs provide the general terms and conditions with regard to various matters, including billing, collection and disbursement of transmission charges, metering and accounting, *force majeure*, change in law, events of default, termination and dispute resolution. Our BPTAs also provide that a revolving letter of credit of 100% of monthly billing for the transmission service user and a bank guarantee of 300% of monthly billing for the transmission service user must be provided by the transmission service user.

Distribution Tariff

The respective SERC approves our distribution tariff for the areas for which we are licensed to distribute power. The SERC sets our distribution tariff under the cost-plus basis to ensure we can recover our costs and achieve a post-tax return on equity. In addition, one third of our efficiency gains on normative controllable parameters are retained by our distribution business and the remaining two thirds are shared with our distribution customers. At the beginning of the control period, when our actual costs for past period form the basis for future tariff projections, a difference may arise between the SERC's required tariffs and the tariffs that are applicable at the time. This difference is eventually eliminated through revising our tariff charges in subsequent years.

Distribution Customer Payment Terms

We carry out monthly billing procedures for our distribution customer base with a meter reading cycle spread over an entire month. Customers are given a specified period to pay their bills in accordance with the respective SERC regulations. Non-payment by any customer during this period results in delayed payment charges and interest, while a continued failure to pay results in a customer being disconnected from our supply of electricity, in compliance with the respective SERC regulations.

Tariff Mechanisms

We earn most of our revenues from the receipt of tariffs from the transmission of electricity on our operating transmission systems. Under our distribution business, we receive tariffs from the distribution of electricity in various states in India that are regulated by the respective SERCs. Our distribution tariffs are subject to a multi-year framework that permits licensees to charge tariffs equal to or lower than the rates approved by the respective SERCs by way of tariff orders and in accordance with the respective SERC tariff regulations. The amount of tariffs we receive in any period is governed by the Tariff Regulations applicable to our business and the process for determining such amounts under these regulations.

Tariff Regulations

Under the Electricity Act, the GoI has the power to issue tariff policy, and the CERC and the respective SERCs are required to comply with this tariff policy and the provisions of the Electricity Act. In accordance with these requirements, the CERC and the SERCs (including the MERC) have established transmission tariff regulations for transmission licensees and parameters for determining transmission tariffs.

Tariff Determination Process

The CERC and the SERCs determine tariffs by issuing Tariff Orders for transmission projects on a cost-plus basis and for TBCB projects, tariffs are determined through a competitive bidding process where the lowest bidder is awarded the project.

Cost-plus Tariffs

Under the Electricity Act, the CERC Tariff Regulations and the respective SERC tariff regulations, a transmission licensee s is required to seek approval from the CERC or the respective SERC, as the case may be, a tariff determination in respect of each of its transmission projects. The tariff applicable to any particular transmission project is designed to compensate the licensee for the costs of construction of the transmission project and for the operation of the project thereafter, as well as to provide a pre-determined rate of return on the licensee's investment in the project. This "cost-plus basis" tariff is determined based on a number of components that are aggregated into an ATC which is paid to us by CTUIL and respective state authorities, as the case may be. See "— *Annual Transmission Charge*" below for further details.

A transmission licensee submits a cost-plus tariff request for approval to the CERC or the respective SERCs, as applicable, on completion of the related project. The CERC or the respective SERCs, as applicable, will first grant a provisional order, which may provide that the licensee receives less than 100% of the tariff initially requested. The relevant regulator later issues a final tariff order approving a final tariff, which may be different from the provisional tariff. See "*Risk Factors — Risks Related to our Business —Any changes to current tariff policies or modifications of tariffs standards by regulatory authorities could have a material adverse effect on our business, prospects, financial condition and results of operations*." on page 42. The CERC or the respective SERCs, as the case may be, determines the tariff applicable to a particular project together with the project licensee through a transparent process. This process includes an open public hearing and interested parties can challenge the tariff sought by the licensee.

The CERC and the respective SERCs each also carries out a true up / reconciliation exercise for the previous tariff period when it considers the tariff petition filed for the next tariff period. Under this exercise, the previous year's tariff will be compared to what that year's tariff should have been. If a difference is identified, the next year's tariff will be adjusted accordingly. The CERC or the respective SERCs, as applicable, will determine the method of recovery of any additional amount owed, either through a one-time payment or spread out over a period of time. If the true up / reconciliation exercise results in a lower tariff, the licensee is required to adjust the tariff lower in the following year.

Annual Transmission Charge

Under the CERC Regulations and the respective SERCs Regulations, we are permitted to charge CTUIL and the respective state authorities, respectively, for the recovery of the ATC applicable to each of our transmission systems determined on the basis of the applicable Tariff Regulations. Although the CERC Regulations and the respective SERC Regulations have certain differences in how they calculate the ATC, it is generally intended to compensate us for the cost of the transmission projects we undertake and to allow us to recover a pre-determined return on equity. The ATC is calculated on an annual basis by aggregating the majorly following components for any given annual period:

- *Return on equity*: an amount representing a 15.5% return on the equity we invest into the project (calculated on a pre-tax basis), with the limitation that a maximum of 30% of the project cost may be funded through equity for purposes of this calculation;

- *Tax on the return on equity*: an amount equal to any gross-up for tax actually paid on the foregoing amount representing return on equity;

- *Interest on debt:* an amount equal to the interest paid on debt used to finance the project, calculated as the weighted average interest rate (based on the actual loan portfolio existing at the time of calculation) of normative debt (which includes equity funding that exceeds 30% of the project cost, and which is repaid based on the depreciation allowed for that year, and not actual repayment cost), on the assumption that normative debt accounts for 70% of project cost;

- *Operations and maintenance cost*: an amount equal to expenses for operations and maintenance on the transmission system, with calculations for CERC transmission systems being done on a fixed basis, taking into account line length and number of bays in substations on the transmission system, and calculations for the respective SERCs transmission systems being done based initially on these same factors, but later reconciled to actual operations and maintenance expense on the system;

- *Depreciation*: an amount that represents such annual period's share of depreciation on the transmission system, calculated on a straight-line method over the statutory life of the asset; the total amount of such recoverable depreciation is equal to 90% of the project cost over the life of the asset;

- *Interest on working capital*: an amount equal to the interest actually paid on working capital financing, as determined based on norms prescribed by the CERC/ respective SERCs; and

- *Contingency reserve*: a contingency fund payment of up to 5% of the project cost, based on the actual amount spent (applicable only to MERC-regulated projects).

Competitively-Bid Tariffs

Pursuant to the GoI's Tariff Policy dated January 28, 2016, all inter-state transmission projects are, subject to certain exceptions, required to be developed pursuant to a competitive bidding process. Competitive bidding is also, subject to certain exceptions, required to be used to set tariffs for intra-state transmission projects that cost above a threshold that is decided by the relevant SERC. Transmission projects which are to be developed through the competitive bidding process are implemented under the TBCB scheme. Interested parties bid for projects under either a BOOM/BOOT model or a DBFOT model. Bidders are required to quote for tariffs over a period of 35 years.

Incentive Payment

In addition to the above, we are also eligible to receive incentive payments based on availability of our transmission systems. Under the CERC and the respective SERCs tariff regulations we are required to maintain minimum system availability of at least 95% for HVDC systems and 98% for AC systems in order to receive 100% of the ATC to which we are entitled. If we maintain system availability above the thresholds prescribed in the regulations, we are eligible for incentive payment. The amount of these incentive payment increases as our availability level increases, with the maximum incentive payment being payable for 99.75% availability. Availability-based incentive fees are payable for both cost-plus tariff systems and systems subject to a competitive bidding process. For additional information on the availability calculation, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Significant Factors Affecting Our Results of Operations — Tariff Structure*" on page 99.

Information Technology

Information technology systems are key to our ability to manage our business. Our information technology systems enable us to coordinate our operations. We use SAP to manage and control activities such as preventive maintenance, compliance, scheduling, inventory and procurement, storage management and project monitoring and execution.

To optimize the effective utilization of our distribution network and manpower, we have installed a supervisory control and data acquisition ("**SCADA**") system in the control room of each of our substations for event analysis and operations. The SCADA system acts as an interface between the operator and the control system and allows operators to control substations and see all events which occur during any alarm or failure of any substation elements. The SCADA system also collects event data and alarm information from all control facilities and presents it to operators. In addition to ensuring improved reliability and reduce interruptions in the power we supply to our distribution customers, the SCADA system is used for energy management and for improving our overall distribution system performance.

Another key initiative has been our cloud transformation, migrating our enterprise resource planning platform to the cloud for more agile operations and a scalable foundation for growth. We've achieved real-time visibility into business operations through a centralized command and control center, standardizing business practices for consistent and efficient IT practices supported by real-time data.

Our ERP system supports our inventory management, logistics, procurement, and financial management. We prioritize continual learning of our employees by offering e-learning platforms for both technical and non-technical knowledge.

Adhering to international best practices such as ITIL for IT processes, we've implemented a business continuity management system in line with ISO22301:2019 standards.

Employees

As of March 31, 2024, we had 11,151 employees, comprising 4,959 permanent employees and 6,192 contractual employees. The following table sets forth the number of permanent employees by function as of March 31, 2024

	No. of employees
Top Management	6
Senior Management	259
Middle Management	853
Junior Management	1,147
Supervisor	27
Non-executives	2,667
Total	**4,959**

Our operations require highly skilled and experienced management and technical personnel. We offer our employees comprehensive ongoing training in order to increase their competence and capabilities with respect to transmission system operations. We also 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.

We have not experienced any material strikes, work stoppages, labor disputes or actions by or with our employees, and we consider our relationship with our employees to be stable.

The total remuneration to our employees includes a base salary, a tax-friendly component and a bonus. We provide a number of benefits to our employees, including:

- each of our employees, as well as his or her spouse and dependent children, is eligible to participate in our group health insurance program;
- retirement benefits, including pensions, to certain of our employees;
- a higher educational assistance program for certain of our employees and their children;
- a program to recognize and motivate employees based on certain criteria and in recognition of certain significant achievements and contributions;
- gifts to our employees in recognition of certain significant personal events in our employees' lives; and
- recognition and rewards for meritorious children of our employees through secondary school.

Insurance

We maintain industrial all risk insurance policies covering the substations on all of our operational transmission systems. These insurance policies include coverage for property damage and business interruption. We also maintain insurance coverage with respect to other areas to the extent required by law. Our assets are insured in line with industry practice.

Environmental, Health and Safety Management

We are committed to ensuring the health and safety of our employees by providing and maintaining an accident-free and healthy workplace through implementation of Environment, Occupational Health, and Safety ("**EHS**") management systems in order to minimize health and safety hazards. Furthermore, we proactively monitor the EHS management systems, integrate EHS procedures and best practices into our operations, conduct EHS training activities for employees and undertake periodic reviews of standard operating procedures in order to mitigate health and safety risks.

We are in compliance in all material respects with Indian legislation in relation to employee health and safety. ESG Policy

Our ESG policy is an integral part of our business philosophy. We have established an ESG Framework which identifies clear roles and responsibilities to achieve the targets under our commitment to sustainability (the "**ESG Framework**"). In 2023, our Company was assigned an ESG rating of 'BBB' by MSCI, Inc. Our policy is guided by the Environmental and Social Performance Standards of the International Finance Coalition.

Some of the major objectives which we strive to achieve under our ESG Framework are as follows:

- to be among the top 10 companies of electric utility sector in Global ESG benchmarking by 2025;
- to increase the share of renewable energy in our power supply mix to 60% by 2027 and to 70% by 2030;
- to reduce Emission intensity by 40% by 2025, 50% by 2027 and by 70% by 2029, based on our 2019 baseline
- to remain a Zero-Waste-to-Landfill ("**ZWL**") company;
- to remain a Single-use-Plastic-Free ("**SuPF**") company;
- to achieve No Net Loss of biodiversity on ongoing basis; and
- to complete ESG Evaluation and engage all Tier-1 critical suppliers through GHG Suppliers' Engagement Program for decarbonization.

Property

Our registered office is located at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad 382 421, Gujarat, India, and is leased by us from a group company. Our projects are located on land that is a mix of freehold, leased from landowners or state governments, on leave and license and under land use agreements. Our long-term leases with state governments typically have terms up to 40 years.

Negotiation of Right of Way and Procurement of Land

As part of the construction process for 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.

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. As the land requirements for this are relatively small, all acquisitions are done through direct purchases or leases from private parties.

Competition

Since 1998, the Indian transmission sector has been open, as a matter of law, to investment by private domestic and international entities as transmission licensees. See "*Regulations and Policies in India Relating to the Power Sector*". In 2000, the GoI issued guidelines for private sector investment in power transmission. Such investment was permitted either through a joint venture with the Power Grid Corporation of India Limited ("**PGCIL**") for the provision of inter-state or inter-regional transmission services (with the tariff for the projects undertaken by such joint ventures to be formulated on a cost-plus basis), or in the form of an independent private transmission company (with the tariff for the projects undertaken by such independent private transmission companies to be formulated based on competitive bidding). In April 2006, the GoI issued tariff-based competitive bidding guidelines for transmission services and also issued guidelines for encouraging competition in the development of transmission projects.

Certain provisions in the Electricity Act, such as open access to the transmission and distribution network, recognition of power trading as a distinct activity, the liberal definition of a captive generating plant, the provision for supply in rural areas and the establishment of parallel licenses, have introduced and encouraged competition in the power sector.

Competition in the transmission sector depends on the size, nature and complexity of the project and the geographic region in which the project is being executed. While service quality, technical capability, health and safety history, availability of qualified personnel, as well as reputation and experience are important considerations, price is the major factor in most tender awards. Furthermore, size, scheduling and complexity of certain large-scale projects preclude participation by smaller and less sophisticated companies that operate in our industry. Our primary transmission business competitors include PGCIL, Sterlite Power Grid Ventures Limited and Tata Power Limited ("TPCL").

AESL is the leading private power distributor in the Mumbai, with 3.18 million consumers as on Fiscal 2024. However, AESL has recently faced increasing competition from TPCL, which is licensed to distribute power in the same area.

Corporate Social Responsibility

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. The Corporate Social Responsibility and Sustainability Committee of our Board recommends a CSR policy to our Board and is responsible for monitoring the implementation of this policy and management of the sustainability performance of our Company. 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, community health care, sustainable livelihood development and community infrastructure development.

- ***Education:*** The Adani Foundation has been facilitating holistic learning in an enabling environment and making it available and affordable to as many children as possible. Using smart technology and engaging partnerships, the Adani Foundation has been nurturing this mission through its flagship programs at Adani Vidya Mandirs, Adani Schools, Utthan and Gyanodaya. The Adani Foundation provides subsidized quality education to marginalized community and free education to more than 3,300 students at six schools in cities, villages and settlements across five states of India. The Adani Foundation focuses on improving the quality of education in public primary schools by upgrading related facilities.

- ***Community Health:*** The Adani Foundation operates Mobile Health Care Units (MHCUs) for doorstep delivery of healthcare, wellness centres and rural clinics, organizes health camps and builds and operates multi-specialty hospitals and health awareness programs to encourage preventative care and a healthy lifestyle.

- ***Community Infrastructure Development:*** The Adani Foundation is dedicated to bridge the gaps by enhancing existing facilities and creating new infrastructure. The Adani Foundation's efforts are directed towards the development of schools, primary healthcare centres, including building approach roads, recreational zones, such as gardens and sports grounds, and water storage tanks. In additional, the Adani Foundation focuses on developing infrastructure to improve regional water security, such as constructing water conservation structures (dams and pond deepening) and other village development works.

- ***Sustainable Livelihood Development:*** The Adani Foundation also focuses on providing holistic growth and the development of marginalized sections of society such as fishermen communities, farmers, cattle owners, youth and women. Foundation builds social capital by promoting self-help groups, supporting initiatives towards preservation of traditional art and organizing skill development training by providing necessary training, skill development and livelihood opportunities. In line with this, the Adani Foundation has established various skill development centers in the states of Gujarat, Chhattisgarh, Jharkhand, and Rajasthan.

Short Seller's Report and Supreme Court Order

Event of Short Seller's Report

The Short Seller's Report addressed to 'Adani Group' contained certain allegations and questions pertaining to some of the Adani portfolio companies, such as Adani Enterprises Limited ("**AEL**"), Adani Ports and Special Economic Zone Limited, Adani Power Limited, Adani Green Energy Limited, Adani Total Gas Limited, Adani Wilmar Limited and our Company. The allegations and questions in the Short Seller's Report were in relation to alleged non-compliance of minimum public shareholding, non-disclosures of related party transactions and stock price manipulation, among other things. The response to various allegations levelled in the Short Seller's Report was submitted by AEL to the Stock Exchanges on January 29, 2023, which is available on AEL's website.

Adani portfolio entities carry out their operations and business across various jurisdictions, including in India, Australia, Singapore, and the United Arab Emirates, and have issued foreign currency bond offerings (including under Rule 144A of the Securities Act) in the past. The governmental and/or regulatory authorities (including the securities regulators in India and overseas) in certain jurisdictions are conducting inquiries or investigations as per their respective laws (whether applicable to the relevant Adani portfolio entities or not). Negative consequences following from alleged non-cooperation with, or unfavorable outcomes of, any such investigations could include penalties, both financial and non-financial (including, among others, prosecution and prohibition on accessing overseas capital markets), that could have a material adverse effect on their business, results of operations and financial condition in future periods and their reputation.

In connection with the allegations levelled in the Short Seller's Report, certain Adani portfolio entities (including our Company) are under regulatory and adjudication proceedings and investigation by regulatory and statutory authorities in India. As part of the regulatory and adjudication proceedings and investigation by regulatory and statutory authorities, certain Adani portfolio entities (including our Company) have received show cause notices from SEBI. The show cause notice received by our Company pertain to alleged violation of the provisions of the SEBI Listing Regulations and the erstwhile Equity Listing

Agreement with respect to the validity of the peer review certificate of one of the former statutory auditors of our Company during certain previous financial years. Such Adani portfolio entities (including our Company) have responded to and/or are in process of responding to the regulatory and statutory authorities by providing information, responses, documents and/or clarifications, as applicable. The regulatory and statutory authorities have broad powers to take action or issue directions in the interest of investors and the securities market, including, among others, through the imposition of monetary penalties, debarment from accessing capital markets, restrictions on undertaking certain activities, restriction on holding position as key managerial personnel in any listed company or its subsidiaries, issuing direction impacting or resulting in revisiting their financial statements. It is not possible to predict the timing or outcome of such investigation and/or legal proceedings pursuant thereto. In case any adverse findings, order or judgement is made by a court or competent authority against a relevant Adani portfolio entity, then such relevant Adani portfolio entity (including our Company) may have to expend resources and divert the time of its board of directors and the senior management to defend itself against such order or judgement. Any failure on behalf of the relevant Adani portfolio entities (including our Company) to successfully challenge such adverse order or judgment before a competent court or authority may have an adverse effect on the continuity of the relevant company's or Adani portfolio entities' business and operations, and may affect its financial position, including the profitability as well as the price of its securities in an adverse manner.

Supreme Court Order

After the issuance of the Short Seller's Report, few public interest litigations were filed before the Supreme Court in relation to the said report. Pursuant to the same, on March 2, 2023, the Supreme Court constituted the Expert Committee. The Expert Committee, in its report dated May 6, 2023, submitted certain updates to the Supreme Court in relation to the ongoing investigations, including, *inter alia*, that: (a) SEBI has reached out to regulatory authorities, both within and outside India, to further investigate certain allegations in the Short Seller's Report; and (b) on a prima facie basis, no pattern of artificial trading or wash trades among the same parties was found and there was no coherent pattern of abusive trading that has come to light based on the active and working surveillance framework that SEBI uses. After hearing all the concerned parties, the Supreme Court, by way of its judgment dated January 3, 2024 disposed of the public interest litigations and, *inter alia* (a) held that no valid grounds have been raised for the Supreme Court to direct SEBI to revoke its amendment to the SEBI FPI Regulations and the SEBI Listing Regulations; (b) noted that SEBI has completed its investigations with respect to 22 out of 24 matters involving allegations levelled against the Adani portfolio entities and directed SEBI to complete its pending investigations expeditiously and preferably within three months; (c) noted that the Supreme Court has not interfered with the outcome of the investigations by SEBI and directed SEBI to take its investigations to their logical conclusion in accordance with law; (d) held that the facts of the case do not warrant a transfer of the investigation from SEBI to another agency (such as Central Bureau of Investigation) or special investigation team, as the threshold for the transfer of investigation has not been demonstrated to exist; (e) rejected the petitioner's reliance on (i) Organized Crime and Corruption Reporting Project report to suggest that SEBI was lackadaisical in conducting the investigation, as the report of a third party organization without any attempt to verify the authenticity of its allegations cannot be regarded as conclusive proof, and (ii) the letter by the Directorate of Revenue Intelligence ("**DRI**"), as the issue has already been settled by concurrent findings of DRI's Additional Director General, the Customs, Excise and Service Tax Appellate Tribunal and the Supreme Court; (f) rejected the allegations of conflict of interest against members of the Expert Committee as unsubstantiated; (g) directed the Government of India and SEBI to constructively consider the suggestions of the Expert Committee as a non-exhaustive list of recommendations, and take any further actions necessary to strengthen the regulatory framework, protect investors and ensure orderly functioning of the securities market; and (h) directed SEBI and investigative agencies of the Government of India to probe into whether the loss suffered by Indian investors due to the conduct of Short Seller's Report and any other entities in taking short positions involved any infraction of the law and if so, directed that suitable action be taken.

ORGANIZATIONAL STRUCTURE

Corporate History

Our Company was incorporated on December 9, 2013, as a public limited company under the Companies Act, 1956 as amended pursuant to a certificate of incorporation issued by the RoC. Our Company received the certificate of commencement of business from the RoC on December 17, 2013. Pursuant to the approval accorded by our Shareholders on July 19, 2023, the name of our Company was changed to "Adani Energy Solutions Limited" and a fresh certificate of incorporation consequent upon change of name was issued to our Company by the RoC on July 27, 2023.

The CIN of our Company is L40300GJ2013PLC077803, and our Registered and Corporate Office is located at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad 382 421, Gujarat India.

Organizational Structure

As of the date of this Preliminary Placement Document, we have 65 Subsidiaries and one Joint Venture. For further details, see "*Definitions and Abbreviations*" and "*Financial Information*" on pages 19 and 242, respectively.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The composition of our Board is governed by the provisions of the Companies Act, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles. In accordance with the Articles, our Company shall not have less than three Directors and not more than 15 Directors.

Pursuant to the provisions of the Companies Act, at least two-thirds of the total number of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each AGM. A retiring Director is eligible for re-election. Further, pursuant to the Companies Act, the Independent Directors may be appointed for a maximum of two consecutive terms of up to five consecutive years each and thereafter have a cooling off period of three years prior to re-appointment. Any re-appointment of Independent Directors shall be on the basis of, *inter alia*, the performance evaluation report and approval by our Shareholders of our Company, by way of a special resolution.

The following table sets forth details regarding our Board as of the date of this Preliminary Placement Document:

Sr. No.	Name, period of directorship, address, occupation, date of birth, DIN, age and nationality	Designation and current term
1.	**Gautam S. Adani** **Period of directorship**: Since June 17, 2015 **Address**: "Shantivan", B/H. Karnavati Club, Gandhinagar-Sarkhej Highway Mohemadapura, Ahmedabad 380 058, Gujarat, India **Occupation***:* Industrialist **Date of birth***:* June 24, 1962 **DIN***:* 00006273 **Age**: 62 years **Nationality***:* Indian	**Designation**: Chairman **Term**: Liable to retire by rotation
2.	**Rajesh S. Adani** **Period of directorship:** Since June 17, 2015 **Address**: Shanti Sagar Bungalow, Rajpath Club to Bopal Road, Near Kantam Party Plot Cross Road, Bodakdev, Ahmedabad 380 059, Gujarat, India **Occupation***:* Industrialist **Date of birth**: December 7, 1964 **DIN**: 00006322 **Age***:* 59 years **Nationality**: Indian	**Designation**: Non-Executive Director **Term:** Liable to retire by rotation
3.	**Anil Sardana** **Period of directorship**: Since May 10, 2018 **Address**: Flat 22, A & B, New Akash Ganga Co-operative Housing Society Ltd., 89, Bhulabhai Desai Road, opposite Tata Garden, Breach Candy, Mumbai 400 026, Maharashtra, India **Occupation***:* Service **Date of birth***:* April 16, 1959 **DIN**: 00006867 **Age***:* 65 years	**Designation***:* Managing Director **Term**: Five years with effect from May 10, 2023

Sr. No.	Name, period of directorship, address, occupation, date of birth, DIN, age and nationality	Designation and current term
	Nationality: Indian	
4.	**Kalaikuruchi Jairaj** **Period of directorship**: Since June 17, 2015 **Address**: No. 32, 5th Cross, 16th Main, BTM layout, 2nd stage, Bangalore 560 076, Karnataka, India **Occupation***:* IAS (Retired) **Date of birth***:* May 25, 1952 **DIN**: 01875126 **Age***:* 72 years **Nationality**: Indian	**Designation***:* Independent and Non-executive Director **Term**: Five years with effect from June 2020
5.	**Ravindra Harshadrai Dholakia** **Period of directorship**: Since May 26, 2016 **Address**: A-1 / 302, The Meadows, Adani Shantigram Township, Near Vaishnodevi Circle, S. G. Highway, Ahmedabad 382 421, Gujarat, India **Occupation***:* Retired **Date of birth***:* April 2, 1953 **DIN**: 00069396 **Age**: 71 years **Nationality**: Indian	**Designation***:* Independent and Non-executive Director **Term**: Five years with effect from August 2019
6.	**Meera Shankar** **Period of directorship***:* Since June 17, 2015 **Address***:* Tower 34, Flat No. 202, Commonwealth Games Village, Delhi 110 0920, Delhi, India **Occupation**: Former Diplomat **Date of birth**: October 9, 1950 **Age***:* 73 years **DIN***:* 06374957 **Nationality**: Indian	**Designation***:* Independent and Non-executive Director **Term***:* Five years with effect from June 2020
7.	**Lisa Caroline MacCallum** **Period of directorship**: Since November 30, 2021 **Address**: 6 Oakwood Avenue, Brighton Victoria, Australia 3186 **Occupation**: Service **Date of birth**: April 10, 1972 **Age**: 52 **DIN**: 09064230 **Nationality**: Australian	**Designation***:* Independent and Non-executive Director **Term***:* Three years with effect from November 30, 2021

Brief Biographies of the Directors

Gautam S. Adani

Gautam S. Adani is one of the Promoters and the Chairman of our Company. He has over three decades of business experience across various business verticals such as resources, logistics and energy. He has completed his education up to matriculation.

Rajesh S. Adani

Rajesh S. Adani is one of the Promoters and the Non-Executive Director of our Company. He holds a bachelor's degree in commerce from Gujarat University. He is in charge of operations of the Adani portfolio entities and has been responsible for developing its business relationships.

Anil Sardana

Anil Sardana is the Managing Director of our Company. He was the managing director and chief executive officer of Tata Power Company Limited.

Kalaikuruchi Jairaj

Kalaikuruchi Jairaj is an Independent Director of our Company. He holds a bachelor's degree in arts (economics) and a bachelor's degree in law from the Bangalore University and has obtained distinction in master's degree in arts (economics) from the University of Delhi. He holds a master's degree in public administration from Harvard University. He has also served as the president of the All India Management Association and has been the director of Karnataka Power Corporation Limited.

Ravindra Harshadrai Dholakia

Ravindra Harshadrai Dholakia is an Independent and Non-executive Director of our Company. He holds a PhD in Economics from Maharaja Sayajirao University, Baroda. He was awarded a post-doctoral fellowship by the Shastri Indo-Canadian Institute, University of Toronto, Canada in 1983-1984 for research on "Regional Disparity in Canda and India – A Comparative Study". He is a retired professor of Indian Institute of Management, Ahmedabad.

Meera Shankar

Meera Shankar is an Independent Director of our Company. She is a retired Indian Foreign Service officer. She joined the Indian Foreign Service in 1973. She holds a master's degree of arts in English from Agra University. She was posted to Washington DC and served as Minister (Commerce).

Lisa Caroline MacCallum

Lisa Caroline MacCallum is an Independent and Non-executive Director Director of our Company. She holds a bachelor's degree in arts and a bachelor's degree in commerce from Bond University. She is also a member of the Institute of Chartered Accountants of Australia She has also completed her graduate diploma in applied finance and investment from the Securities Institute. She has previously worked with Nike Inc. for a period of 11 years. She also serves as a member of Council of Bond University, Australia Limited.

Relationship between our Directors

Except for Gautam S. Adani and Rajesh S. Adani, who are brothers, none of the other Directors are related to each other.

Borrowing Power of our Board

Pursuant to resolution passed our Board on January 30, 2015 and our Shareholders on February 12, 2015 in accordance with the provisions of Section 180(1)(c) and all other applicable provisions of the Companies Act and our Articles of Association, our Board has been authorised to borrow sums of money as they may deem necessary for the purpose of the business of our Company, which together with the monies already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business), may exceed at any time, the aggregate of the paid-up capital of our Company and its free reserves (that is to say, reserves, not set apart for any specific purposes) by a sum not exceeding ₹15,000 crore.

Interest of the Directors

Except Gautam S. Adani and Rajesh S. Adani, who are Promoters of our Company, no other Directors are interested in the promotion of our Company.

All the Directors of our Company, including our Independent Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them.

All the Directors of our Company may also be deemed to be interested to the extent of Equity Shares, if any, held by them or by companies, firms and trusts in which they are interested as directors, partners, members or trustees and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

No loans have been availed by our Directors from our Company.

Except as provided in "*Financial Information*" beginning on page 242, and except as disclosed below in this Preliminary Placement Document, our Company has not entered into any contract, agreement or arrangement during the three Fiscals immediately preceding the date of this Preliminary Placement Document, in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them. For further details on the related party transactions mentioned above, see "*Related Party Transactions*" on page 39.

Other than as disclosed in this Preliminary Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested.

Shareholding of the Directors

As per our Articles of Association, our Directors are not required to hold any qualification Equity Shares.

As on the date of this Preliminary Placement Document, none of our Directors hold any Equity Shares in our Company, except as stated below:

Name	Number of Equity Shares	Percentage of the issued and paid-up Equity Share capital (in %)
Gautam S. Adani and Rajesh S. Adani (on behalf of S.B. Adani Family Trust)	60,16,34,660	53.93
Gautam S. Adani	1	Negligible
Rajesh S. Adani	1	Negligible

Remuneration paid to Directors

The Non-Executive Directors are paid remuneration consisting of commission and sitting fees, which is determined by our Board. Pursuant to the resolutions passed by our Board of Directors on August 7, 2018, our Non-Executive and Independent Directors are entitled to sitting fees of ₹50,000 for attending the meetings of the Board and Audit Committee respectively and ₹25,000 for attending other committee meetings.

Our Company has paid the following remuneration to our Directors from April 1, 2024 to the date of this Preliminary Placement Document and the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022:

(*in ₹ crore*)

S. No.	Name of Director	Remuneration for period from July 1, 2024 to the date of this Preliminary Placement Document	Remuneration for the quarter ended June 30, 2024	Remuneration for FY 2024	Remuneration for FY 2023	Remuneration for FY 2022
1.	Gautam S. Adani	Nil	Nil	Nil	Nil	Nil
2.	Rajesh S. Adani	Nil	Nil	Nil	Nil	Nil
3.	Anil Sardana	Nil	Nil	Nil	Nil	Nil
4.	Kalaikuruchi Jairaj	Nil	0.04	0.32	0.12	0.10
5.	Ravindra Harshadrai Dholakia	Nil	0.04	0.32	0.13	0.09
6.	Meera Shankar	Nil	0.03	0.28	0.10	0.08
7.	Lisa Caroline MacCallum*	Nil	Nil	0.23	Nil	NA

* *Lisa Caroline MacCallum was appointed as an Independent Director of our Company on November 30, 2021. Hence, she was not paid any remuneration in*

the financial years ended March 31, 2021 and March 31, 2022.

Key Managerial Personnel and Senior Management

The details of our Key Managerial Personnel and the members of our Senior Management in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as on the date of this Preliminary Placement Document are set forth below:

S. No.	Name	Designation
Key Managerial Personnel		
1.	Anil Sardana	Managing Director
2.	Jaladhi Atulchandra Shukla	Company Secretary and Compliance Officer
3.	Kunjal Mehta	Chief Financial Officer
4.	Kandarp Patel	Chief Executive Officer

Other than Jaladhi Atulchandra Shukla, Kunjal Mehta and Kandarp Patel, the members of our Senior Management include:

Senior Management		
1.	Bhaskar Sarkar	Chief Business Officer – Cooling Solutions
2.	Chaitanya Prasad Sahoo	Chief Executive Officer – AIMSL
3.	Kamal Ajitsaria	Chief Digital Officer
4.	Kapil Sharma	Chief Executive Officer – AEML
5.	Karthik B Kumar	Chief Commercial Controller – AEML
6.	Pushpendrasinh Zala	CEO – Smart Metering Business
7.	Rajendra Nandi	COO, AEML Generation
8.	Rohit Agrawal	Senior Vice President, Corporate Procurement Group
9.	Sandeep Gautam Sahu	Head - Human Resources
10.	Sanjeev Muramkar	Head - Human Resources – AEML
11.	Sanjay Johari	Head Business Development – Energy Grids
12.	Vivek Gautam	Chief Corporate Projects

Shareholding of the Key Managerial Personnel and Senior Management

Except as disclosed below, none of our Key Managerial Personnel and members of our Senior Management hold Equity Shares in our Company as of the date of this Preliminary Placement Document.

S. No.	Name of Senior Management	Number of Equity Shares held	Percentage of the issued and paid-up Equity Share capital (in %)
1.	Jaladhi Atulchandra Shukla	49	Negligible
2.	Karthik B Kumar	633	Negligible

Relationship

None of our Key Managerial Personnel and the members of our Senior Management are related to each other or to the Directors.

Corporate Governance

Our Board presently consists of seven Directors. In compliance with the requirements of the SEBI Listing Regulations, there are four Independent Directors on our Board, including two-woman Independent Directors.

We are in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations in respect of corporate governance, including constitution of our Board and committees thereof. Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations.

Committees of our Board

Our Board has constituted statutory committees, which function in accordance with the relevant provisions of the Companies Act and the SEBI Listing Regulations. The statutory committees of our Board are: (i) Audit Committee; (ii) Nomination and Remuneration Committee; (iii) Corporate Social Responsibility Committee; (iv) Stakeholders' Relationship Committee; (v) and Risk Management Committee as mandated under the Companies Act and the SEBI Listing Regulations.

The following table sets forth details of members of the aforesaid committees, as on the date of this Preliminary Placement Document:

S. No.	Committee	Name and Designation of Members
1.	Audit Committee	i. Kalaikuruchi Jairaj (Chairman); ii. Meera Shankar (Member); and iii. Ravindra Harshadrai Dholakia (Member).
2.	Nomination and Remuneration Committee	i. Kalaikuruchi Jairaj (Chairman); ii. Meera Shankar (Member); and iii. Ravindra Harshadrai Dholakia (Member).
3.	Corporate Social Responsibility Committee	i. Kalaikuruchi Jairaj (Chairman); ii. Meera Shankar (Member); iii. Ravindra Harshadrai Dholakia (Member); and iv. Anil Sardana (Member)
4.	Stakeholders' Relationship Committee	i. Kalaikuruchi Jairaj (Chairman); ii. Rajesh S. Adani (Member); iii. Anil Sardana(Member); and iv. Ravindra Harshadrai Dholakia (Member).
5.	Risk Management Committee	i. Kalaikuruchi Jairaj (Chairman); ii. Rajesh S. Adani (Member); iii. Anil Sardana(Member); and iv. Ravindra Harshadrai Dholakia (Member).

Related Party Transactions

For details in relation to the related party transactions entered into by the Directors with our Company during last three Fiscals immediately preceding the year of circulation of this Preliminary Placement Document, please see "*Related Party Transactions*" on page 39.

Other Confirmations

None of our Directors, Promoters, Key Managerial Personnel and Senior Management have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interest of other persons.

Neither our Company, nor any of our Directors or Promoters have been identified as wilful defaulters or fraudulent borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrower as defined under the SEBI ICDR Regulations.

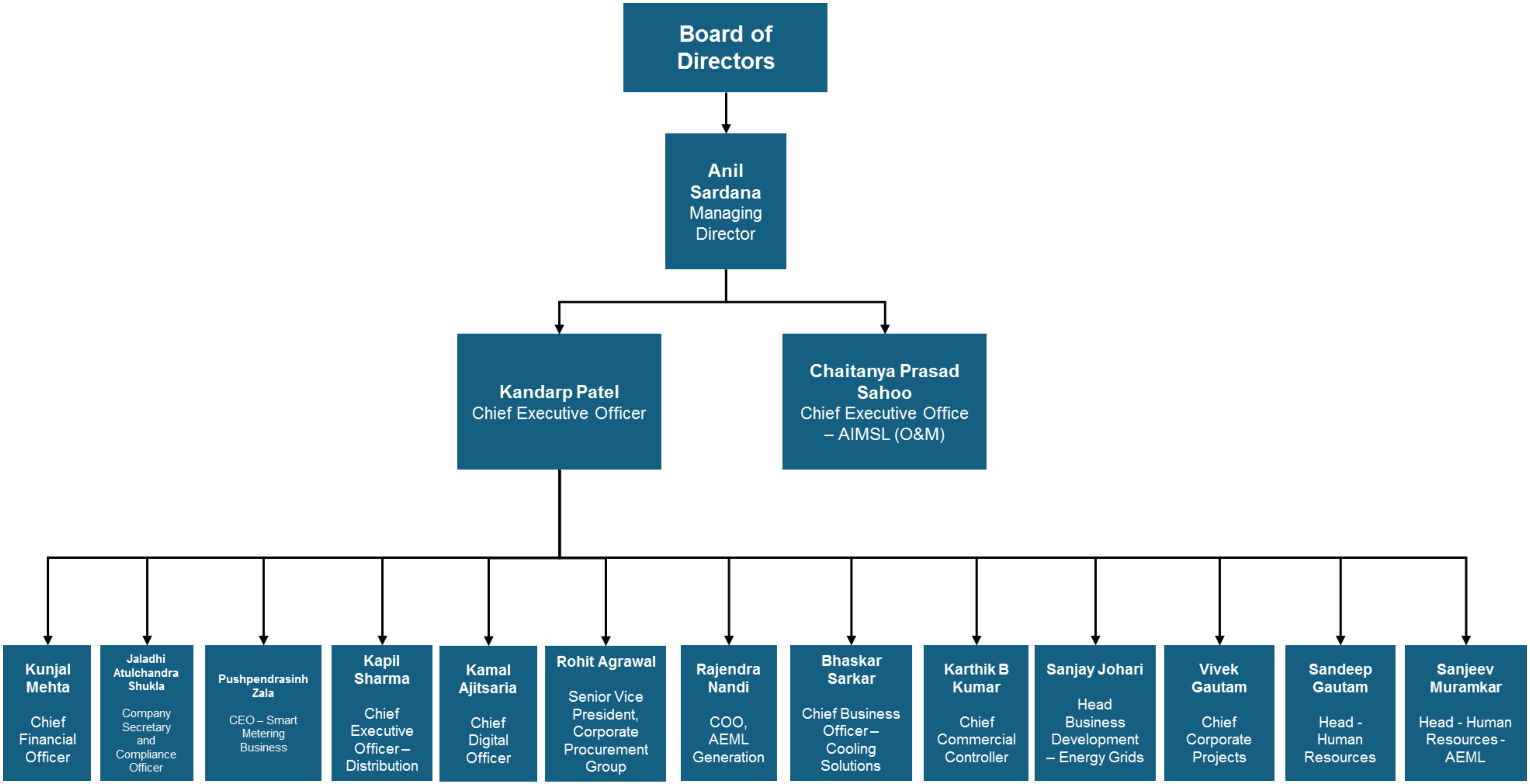
Neither our Company, nor any of our Directors or Promoters are debarred from accessing capital markets under any order or direction made by SEBI. Further, none of our Promoters or Directors are a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of the Directors, Promoters, Key Managerial Personnel or Senior Management of our Company intends to subscribe to the Issue.

Policy on disclosures and internal procedure for prevention of insider trading

Regulation 9(1) of the SEBI Insider Trading Regulations applies to our Company and our employees and requires our Company to implement a code of internal procedures and conduct for the fair disclosure of unpublished price sensitive information and the prevention of insider trading. In compliance with the same, our Company has adopted a code of conduct for prevention of insider trading, as approved by our Board on March 20, 2019, which lays down the procedure for preserving the confidentiality of unpublished price sensitive information and preventing misuse of such information. Our Company Secretary acts as the compliance officer of our Company under the aforesaid code of conduct for the prevention of insider trading.

Organisation Chart of our Company



SHAREHOLDING PATTERN OF OUR COMPANY

Shareholding pattern of our Company, as on June 30, 2024, is set forth below.

The following table sets forth the details regarding the equity shareholding pattern of our Company as on June 30, 2024:

Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of Shares pledged or otherwise encumbered		No. of equity shares held in dematerialized form	Sub-categorization of shares (XV) Shareholding (No. of shares) under		
							Number	As a % of total Shares held		Sub Category_I	Sub Category_II	Sub Category_III
(A) Promoter & Promoter Group	9	83,59,72,987	83,59,72,987	74.94	83,59,72,987	74.94	1,90,92,821	2.28	83,59,72,987	-	-	-
(B) Public	4,93,612	27,95,19,696	27,95,19,696	25.06	27,95,19,696	25.06	-	0.00	27,93,36,267	-	-	-
(C1) Shares underlying DRs	-	-	-	0.00	-	0.00	-	0.00	-	-	-	-
(C2) Shares held by Employee Trust	-	-	-	0.00	-	0.00	-	0.00	-	-	-	-
(C) Non Promoter-Non Public	-	-	-	0.00	-	0.00	-	0.00	-	-	-	-
Grand Total	**4,93,621**	**1,11,54,92,683**	**1,11,54,92,683**	**100.00**	**1,11,54,92,683**	**100.00**	**1,90,92,821**	**1.71**	**1,11,53,09,254**	**-**	**-**	**-**

Note:

1.In SBO, as there is option to mention PAN of one SBO, hence our Company has mentioned dummy PAN ZZZZZ9999Z. Further, in case of nationality, our Company has mentioned Indian/ Cypriot as nationality of (i) Gautam S. Adani and Rajesh S. Adani is Indian, and (ii) nationality of Vinod S. Adani is Cypriot.

The following table sets forth the details regarding the equity shareholding pattern of our Promoters and Promoter Group as on June 30, 2024:

Category of shareholder	Entity type	No. of shareholders	No. of fully paid- up equity shares held	Total no. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) as a % of (A + B + C2)	Number of Voting Rights held in each class of securities		No. of Shares pledged or otherwise encumbered		No. of equity shares held in dematerialized form
						No.(a)	As a % of total Shares held(b)	Class e.g.: X	Total	
A1) Indian					0.00		0.00		0.00	
Individuals/Hindu undivided Family		2	2	2	0.00	2	0.00	-	0.00	2
Gautam S. Adani	Promoter	1	1	1	0.00	1	0.00	-	0.00	1
Rajesh S. Adani	Promoter	1	1	1	0.00	1	0.00	-	0.00	1
Any Other (specify)		2	69,92,51,985	69,92,51,985	62.69	69,92,51,985	62.69	1,90,92,821	2.73	69,92,51,985
Gautam S. Adani/Rajesh S. Adani (on behalf of S. B. Adani Family Trust)	Promoter Group	1	60,16,34,660	60,16,34,660	53.93	60,16,34,660	53.93	1,51,44,500	2.52	60,16,34,660
Gautam S. Adani/ Pritiben Gautam Adani (on behalf of Gautam S. Adani Family Trust)	Promoter Group	-	-	-	0.00	-	0.00	-	0.00	-
Adani Tradeline Private Limited	Promoter Group	1	9,76,17,325	9,76,17,325	8.75	9,76,17,325	8.75	39,48,321	4.04	9,76,17,325
Adani Properties Private Limited	Promoter Group	-	-	-	0.00	-	0.00	-	0.00	-
Sub Total A1		4	69,92,51,987	69,92,51,987	62.69	69,92,51,987	62.69	1,90,92,821	2.73	69,92,51,987
A2) Foreign					0.00		0.00		0.00	
Any Other (specify)		5	13,67,21,000	13,67,21,000	12.26	13,67,21,000	12.26	-	0.00	13,67,21,000
Afro Asia Trade And Investments Limited	Promoter Group	1	3,02,49,700	3,02,49,700	2.71	3,02,49,700	2.71	-	0.00	3,02,49,700
Worldwide Emerging Market	Promoter Group	1	3,02,49,700	3,02,49,700	2.71	3,02,49,700	2.71	-	0.00	3,02,49,700

Category of shareholder	Entity type	No. of shareholders	No. of fully paid- up equity shares held	Total no. of shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) as a % of (A + B + C2)	Number of Voting Rights held in each class of securities		No. of Shares pledged or otherwise encumbered		No. of equity shares held in dematerialized form
						No.(a)	As a % of total Shares held(b)	Class e.g.: X	Total	
Holding Limited										
Flourishing Trade and Investment Limited	Promoter Group	1	36,88,000	36,88,000	0.33	36,88,000	0.33	-	0.00	36,88,000
Gelt Bery Trade and Investment Limited	Promoter Group	1	5,51,33,600	5,51,33,600	4.94	5,51,33,600	4.94	-	0.00	5,51,33,600
Fortitude Trade and Investment Limited	Promoter Group	-	-	-	0.00	-	0.00	-	0.00	-
Emerging Market Investment DMCC	Promoter Group	1	1,74,00,000	1,74,00,000	1.56	1,74,00,000	1.56	-	0.00	1,74,00,000
Sub Total A2		5	11,93,21,000	13,67,21,000	12.26	13,67,21,000	10.70	-	0.00	11,93,21,000
A=A1+A2		**9**	**83,59,72,987**	**83,59,72,987**	**74.94**	**83,59,72,987**	**74.94**	**1,90,92,821**	**2.28**	**83,59,72,987**

The following table sets forth the details regarding the equity shareholding of the members of the public as on June 30, 2024:

Category & Name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form(Not Applicable)	Sub-categorization of shares (XV) Shareholding (No. of shares) under		
								Sub Category II	Sub Category II	Sub Category II
B1) Institutions	0	0		0.00		0.00	-	-	-	-
B2) Institutions (Domestic)	0	0		0.00		0.00	-	-	-	-
Mutual Funds	20	3,007,144	3,007,144	0.27	30,07,144	0.27	30,07,144	-	-	-
Alternate Invest Funds	1	25,000	25,000	0.00	25,000	0.00	25,000	-	-	-
Banks	3	387	387	0.00	387	0.00	387	-	-	-
Insurance Companies	3	4,12,38,394	4,12,38,394	3.70	4,12,38,394	3.70	4,12,38,394	-	-	-
Life Insurance Corporation of India	1	4,10,81,207	4,10,81,207	3.68	4,10,81,207	3.68	4,10,81,207	-	-	-
NBFCs registered with RBI	6	2,503	2,503	0.00	2,503	0.00	2,503	-	-	-
Sub Total B1	33	4,42,73,428	4,42,73,428	3.97	4,42,73,428	3.97	4,42,73,428	-	-	-
B3) Institutions (Foreign)	0	-	-	0.00	-	0.00	-	-	-	-
Foreign Portfolio Investors Category I	138	10,71,27,556	10,71,27,556	9.60	10,71,27,556	9.60	10,71,27,556	-	-	-
GQG Partners Emerging Markets Equity Fund	1	2,07,05,583	2,07,05,583	1.86	2,07,05,583	1.86	2,07,05,583	-	-	-
Goldman Sachs Trust Ii - Goldman Sachs Gqg Partners International Opportunities Fund	1	3,02,01,059	3,02,01,059	2.71	3,02,01,059	2.71	3,02,01,059	-	-	-
Envestcom Holding Rsc Ltd	1	5,52,00,000	5,52,00,000	4.95	5,52,00,000	4.95	5,52,00,000	-	-	-
Foreign Portfolio Investors Category II	11	6,61,95,208	6,61,95,208	5.93	6,61,95,208	5.93	6,61,95,208	-	-	-
Sub Total B2	149	17,33,22,764	17,33,22,764	15.54	17,33,22,764	15.54	17,33,22,764	-	-	-
B4) Central	0	0	0	0.00	0	0.00	0	-	-	-

Category & Name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form(Not Applicable)	Sub-categorization of shares (XV) Shareholding (No. of shares) under		
								Sub Category II	Sub Category II	Sub Category II
Government/ State Government(s)/ President of India										
Central Government / President of India	1	910	910	0.00	910	0.00	910	-	-	-
Sub Total B3	1	910	910	0.00	910	0.00	910	-	-	-
B5) Non-Institutions	0	0	0	0.00	0	0.00	0	-	-	-
Directors and their relatives (excluding independent directors and nominee directors)	2	1,06,785	1,06,785	0.01	1,06,785	0.01	1,06,785	-	-	-
Key Managerial Personnel	1	49	49	0.00	49	0.00	49	-	-	-
Resident Individuals holding nominal share capital up to ₹2 lakhs	4,85,145	3,26,20,169	3,26,20,169	2.92	3,26,20,169	2.92	3,24,66,740	-	-	-
Resident Individuals holding nominal share capital in excess of ₹2 lakhs	120	66,19,950	66,19,950	0.59	66,19,950	0.59	65,89,950	-	-	-
Non Resident Indians (NRIs)	3,723	9,86,601	9,86,601	0.09	9,86,601	0.09	9,86,601	-	-	-
Foreign Nationals	1	10,000	10,000	0.00	10,000	0.00	10,000	-	-	-
Foreign Companies	1	57,82,600	57,82,600	0.52	57,82,600	0.52	57,82,600	-	-	-
Bodies Corporate	762	39,41,787	39,41,787	0.35	39,41,787	0.35	39,41,787	-	-	-
Any Other (specify)	3,674	1,18,54,653	1,18,54,653	1.06	1,18,54,653	1.06	1,18,54,653	-	-	-
Clearing Members	14	99,01,654	99,01,654	0.89	99,01,654	0.89	99,01,654	-	-	-
HUF	3,569	16,00,654	16,00,654	0.14	16,00,654	0.14	16,00,654	-	-	-

Category & Name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form(Not Applicable)	Sub-categorization of shares (XV) Shareholding (No. of shares) under Sub Category II	Sub Category II	Sub Category II
Body Corporate & LLP	89	3,51,709	3,51,709	0.03	3,51,709	0.03	3,51,709	-	-	-
Trusts	2	636	636	0.00	636	0.00	636	-	-	-
Sub Total B4	4,93,429	6,19,22,594	6,19,22,594	5.55	6,19,22,594	5.55	6,17,39,165	-	-	-
B=B1+B2+B3+B4	4,93,429	27,95,19,696	27,95,19,696	25.06	27,95,19,696	25.06	27,93,36,267	-	-	-

The following table sets forth the details of our non-promoter, non-public shareholders as on June 30, 2024:

Category & Name of the Shareholders(I)	No. of shareholder(III)	No. of fully paid up equity shares held(IV)	Total no. shares held(VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)(VIII)	Number of equity shares held in dematerialized form(XIV)(Not Applicable)
C1) Custodian/DR Holder	0	0	-	0.00	-
C2) Employee Benefit Trust	0	0	-	0.00	-

The following table sets forth the details of disclosure made by the trading members holding 1% or more of the total number of shares of our Company as on June 30, 2024:

Sl. No.	Name of the Trading Member	Name of the Beneficial Owner	No. of shares held	% of total no. of shares	Date of reporting by the Trading Member
1.	NIL	NIL	NIL	NIL	NIL

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the application, payment of Bid Amount, Allocation and Allotment of the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below and investors are assumed to have apprised themselves of the same from our Company or the Book Running Lead Managers. Prospective investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. Also see "Distribution and Solicitation Restrictions" and "Transfer Restrictions" on pages 202 and 209, respectively.

Our Company, the Book Running Lead Managers, and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBS ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC and no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, 2013 and rules thereunder, through the mechanism of a qualified institutions placement ("**QIP**"). Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013, read with Rule 14 of the PAS Rules, our Company, being a listed company in India may issue Equity Shares to Eligible QIBs, provided that:

- the shareholders have adopted a special resolution approving the Issue. Such special resolution must specify (a) that the allotment of Equity Shares is proposed to be made pursuant to the QIP; and (b) the Relevant Date;

- the explanatory statement to the notice to the shareholders for convening the general meeting must disclose, among other things, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of offer, the contribution made by the promoters or directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be allotted through the Issue, are listed on the Stock Exchanges, for a period of at least one year prior to the date of issuance of notice to our shareholders for convening the meeting to adopt the above-mentioned special resolution, except for Equity Shares allotted during the preceding one year from the date of this Preliminary Placement Document. For details, see *"Capital Structure"* on page 95;

- invitation to apply in the Issue must be made through a private placement offer-cum-application (i.e., this Preliminary Placement Document) and an application form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;

- our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue;

- our Company shall have completed allotments with respect to any offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;

- the Promoters and Directors of our Company are not fugitive economic offenders;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e., this Preliminary Placement Document), our Company must prepare and record a list of Eligible QIBs to whom the offer will be made. The offer must be made only to such Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe; and

- our Company acknowledges that issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited.

At least 10% of the Equity Shares issued to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the Stock Exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. The "Relevant Date" referred to above means the date of the meeting in which our Board or Management Committee decides to open the Issue and "stock exchange" means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with the resolution of the shareholders of our Company dated June 25, 2024, our Company may offer a discount of not more than 5% on the Floor Price in accordance with the SEBI ICDR Regulations.

The Equity Shares will be Allotted within 365 days from the date of the shareholders' resolution approving the Issue, being June 25, 2024 and within 60 days from the date of receipt of Bid Amount from the Successful Bidders. For details of refund of Bid Amount, see "– *Pricing and Allocation – Designated Date and Allotment of Equity Shares*" on page 199.

Subscription to the Equity Shares offered pursuant to the Issue must be made by Eligible QIBs on the basis of this Preliminary Placement Document and the Placement Document shall contain all material information required under applicable laws, including the information specified in Schedule VII of SEBI ICDR Regulations and the requirements prescribed under Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company, with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

This Issue was authorized and approved by our Board on May 27, 2024 and approved by the shareholders of our Company through their resolution dated June 25, 2024. The minimum number of Allottees with respect to a QIP shall not be less than:

- two, where the issue size is less than or equal to ₹250 crore; and

- five, where the issue size is greater than ₹250 crore.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "— *Bid Process —Application Form*" on page 195.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognized stock exchange.

We have applied for and received the in-principle approvals of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares on the Stock Exchanges. We have filed a copy of this Preliminary Placement Document and will file a copy of the Placement Document with the Stock Exchanges. Our Company has received in-principle approvals from each of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for the listing of the Equity Shares on the BSE and NSE each dated July 30, 2024.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws of the United States and, unless so registered may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are only being offered and sold (a) within the United States only to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Preliminary Placement Document as "U.S. QIBs". For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Preliminary Placement Document as "QIBs") in transactions exempt from or not subject to the registration requirements of the Securities Act, and (b) outside the United States in offshore transactions in reliance upon Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. For further information, see the sections "*Distribution and Solicitation Restrictions*" and "*Transfer Restrictions*" on pages 202 and 209, respectively.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Issue Procedure

1. Our Company and the Book Running Lead Managers shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to identified Eligible QIBs and the Application Form will be specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to whom this Preliminary Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act, 2013 and the PAS Rules. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered will be determined by our Company in consultation with the BRLMs, at their sole discretion.

2. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Bid Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

3. Eligible QIBs may submit the Application Form, including any revisions thereof along with the Bid Amount transferred to the escrow account specified in the Application form and a copy of the PAN card or PAN allotment letter, during the Issue Period to the Book Running Lead Managers.

4. Bidders will be required to indicate the following in the Application Form:

    - Full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, e-mail id and bank account details;

    - number of Equity Shares Bid for;

    - price at which they are agreeable to subscribe for the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;

    - details of the depository account to which the Equity Shares should be credited;

    - a representation that it is either (i) outside the United States acquiring the Equity Shares in an offshore transaction under Regulation S and the applicable laws of the jurisdiction where those offers and sales are made, or (ii) if within the United States, it is a "qualified institutional buyer" as defined in Rule 144A purchasing the Equity Shares in transactions exempt from or not subject to the registration requirements of the Securities Act, and it has agreed to certain other representations set forth in the "*Representations by Investors*" on page 6 and "*Transfer Restrictions*" on page 209 and certain other representations made in the Application Form; and

    - Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form.

5. Eligible QIBs shall be required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of "ADANI ENERGY SOLUTION LIMITED QIP ESCROW ACCOUNT" with the Escrow Agent, within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. Bid Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Until Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Bid Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Bid Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but prior to the Bid Closing Date, the excess Bid Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "**–** *Refunds*" on page 199.

6. Once a duly completed Application Form is submitted by a Bidder and the Bid Amount is transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

7. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

8. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, after the Issue Closing Date, our Company shall, in consultation with Book Running Lead Managers determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the Book Running Lead Managers will send the serially numbered CAN to the Eligible QIBs who have been Allocated the Equity Shares. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. **Please note that the Allocation will be at the absolute discretion of our Company and will be in consultation with the Book Running Lead Managers.**

9. The Bidder acknowledges that in terms of the requirements of the Companies Act, 2013, upon Allocation, our Company will be required to disclose the names of proposed Allottees and the percentage of their post-Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.

10. Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the Book Running Lead Managers, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

11. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. We will inform the Stock Exchanges of the details of the Allotment.

12. After passing the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the depository participant, as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

13. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

14. Our Company will then apply for the final trading approvals from the Stock Exchanges.

15. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Eligible QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

16. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Qualified Institutional Buyers

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to foreign portfolio investors, only Eligible FPIs applying under Schedule II of the FEMA Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law, will be considered as Eligible QIBs. FVCIs and non-resident multilateral or bilateral development financial institutions are not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- alternate investment funds registered with SEBI;
- Eligible FPIs;
- insurance companies registered with Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions (which are resident in India);
- Mutual Funds;
- venture capital fund registered with SEBI;
- pension funds with minimum corpus of ₹25 crore registered with the Pension Fund Regulatory and Development Authority established under Section 3(1)of the Pension Fund Regulatory and Development Authority Act, 2013;
- provident funds with minimum corpus of ₹25 crore;
- public financial institutions as defined under Section 2(72) of the Companies Act, 2013;
- scheduled commercial banks;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India; and
- systemically important non-banking financial companies.

Eligible FPIs are permitted to participate under Schedule II of FEMA Rules in this Issue. Eligible FPIs are permitted to participate in the Issue subject to compliance with all applicable laws and such that the shareholding of the FPIs do not exceed specified limits as prescribed under applicable laws in this regard. FVCIs and non-resident multilateral or bilateral development financial institutions are not permitted to participate in the Issue.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Equity Share capital of our Company. Further, in terms of the FEMA Rules, the total holding by each FPI or investor group shall be below 10% of the total paid-up Equity Share capital of our Company. Further, in terms of the FEMA Rules, the total holding by each FPI or investor group shall be below 10% of the total paid-up Equity Share capital of our Company. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis, and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company on a fully diluted basis. In case the holding of an FPI or investor group increases to 10% or more of the total paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done within the aforementioned prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per the procedure specified by SEBI, and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (a) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable.

As per the circular issued by SEBI on November 5, 2019, these investment restrictions shall also apply to subscribers of P-Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as a FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

With effect from the April 1, 2020, the aggregate limit shall be the sectoral caps applicable to the Indian company as prescribed in the FEMA Rules with respect to its paid-up equity capital on a fully diluted basis. While the aggregate limit as provided above could have been decreased by the concerned Indian companies to a lower threshold limit of 24%, 49% or 74% as deemed fit, with the approval of its board of directors and its shareholders through a resolution and a special resolution, respectively before March 31, 2020, our Company has not decreased such limit and accordingly the applicable limit with respect to our Company is 100%.

Please note that participation by non-residents in the Issue is restricted to participation by FPIs under Schedule II of the FEMA Rules, in the Issue subject to limit of the individual holding of an FPI below 10% of the post-Issue paid-up capital of our Company and the aggregate limit for FPI investment currently not exceeding 100% (sectoral limit). Other non-residents such as FVCIs and multilateral and bilateral development financial institutions are not permitted to participate in the Issue.

Restriction on Allotment

Under Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being, or any person related to, our Promoters. QIBs which have all or any of the following rights shall be deemed to be persons related to our Promoters:

- rights under a shareholders' agreement or voting agreement entered into with our Promoters or members of the Promoter Group;
- veto rights; or
- a right to appoint any nominee director on our Board.

Provided, however, that a QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to our Promoters.

Our Company and the Book Running Lead Managers and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: *Affiliates or associates of the Book Running Lead Managers who are QIBs may participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are specifically addressed to them) supplied by our Company and the Book Running Lead Managers in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document and the Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Eligible QIB will be deemed to have made the following representations, warranties, acknowledgements and undertakings given or made under "*Notice to Investors*", "*Representations by Investors*", "*Distribution and Solicitation Restrictions*" and "*Transfer Restrictions*" on pages 2, 6, 202 and 209, respectively:

1. The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, and has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. The Eligible QIB confirms that it is not a Promoter and is not a person related to our Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent our Promoter or Promoter Group or persons related to our Promoters;

3. The Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on our Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoters;

4. The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;

5. The Bidder confirms that in the event it is resident outside India, it is an Eligible FPI having a valid and existing registration with SEBI under the applicable laws in India, or a non-resident multilateral or bilateral development financial institution and is eligible to invest in India under applicable law, including the FEMA Rules and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI or a non-resident multilateral or bilateral development financial institution;

6. The Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

7. The Eligible QIB confirms that the QIB is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The QIB further confirms that the holding of the QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the QIB;

8. The Eligible QIB confirms that its Bid would not result in triggering an open offer under the SEBI Takeover Regulations;

9. The Eligible QIB agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, 2013 and rules made thereunder, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running Lead Managers. The Eligible QIB further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

10. The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, 2013, upon Allocation, our Company will be required to disclose names as "proposed Allottees" and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document and consents of such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLMs;

11. The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    a. QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other QIB ; and

    b. 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

12. The Eligible QIB confirms that:

    a. It will make payment of its Bid Amount along with submission of the Application Form within the Bidding period;

    b. If it is within the United States, it is a U.S. QIB who is or are acquiring the Equity Shares for its own account or for the account of an institutional investor who also meets the requirement of a U.S. QIB, for investment purposes only and not with a view to, or for resale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part and are not our affiliate or a person acting on behalf of such an affiliate;

    c. If it is outside the United States, it is purchasing the Equity Shares in an offshore transaction in reliance upon Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate; and

    d. It has agreed to certain other representations set forth in the "*Representations by Investors*" and "*Transfer Restrictions*" on pages 6 and 209, respectively, and certain other representations made in the Application Form;

13. The Eligible QIBs acknowledge that no Allotment shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price;

14. The Eligible QIBs confirm that they shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; and

15. Each Eligible QIB confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

Further, in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the FDI Policy, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route.

ELIGIBLE QIBS MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, THE ELIGIBLE QIBS SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGERS TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE ELIGIBLE QIBS SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Equity Shares and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter. The Bid Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the Book Running Lead Managers either through electronic form or through physical delivery at either of the following addresses:

Name of Book Running Lead Managers	Address	Contact Person	Email	Contact Number
SBI Capital Markets Limited	Unit No. 1501, 15th floor, A & B Wing, Parinee Crescenzo Building, G Block, Bandra Kurla Complex, Bandra (East), Mumbai- 400 051, Maharashtra, India	Sambit Rath /Karan Savardekar	project.galaxy@sbicaps.com	Tel: +91 22 4006 9807
Jefferies India Private Limited	Level 16, Express Towers, Nariman Point, Mumbai – 400 021, India	Suhani Bhareja	adanienergy.qip@jefferies.com	Tel: +91 22 4356 6000
ICICI Securities Limited	ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India	Ashik Joisar / Sumit Singh	aeslqip@icicisecurities.com	Tel: +91 22 6807 7100

The Book Running Lead Managers shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

Bidders Bidding in the Issue shall pay the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

Payment of Bid Amount

Our Company has opened the Escrow Account in the name of "ADANI ENERGY SOLUTION LIMITED QIP ESCROW ACCOUNT" with the Escrow Agent, in terms of the arrangement among our Company, the Book Running Lead Managers and the Escrow Agent. Each Bidder will be required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding period. Bidders can make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments are to be made only through electronic fund transfer. Payments made through cash or cheques are liable to be rejected. Further, if the payment is not made favouring the Escrow Account, the Application Form is liable to be cancelled.

Pending Allotment, our Company undertakes to utilise the amount deposited in "ADANI ENERGY SOLUTION LIMITED QIP ESCROW ACCOUNT" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Bid Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the application form and towards which application amount has been paid by such Bidder, the excess application amount will be refunded to the same bank account from which application amount was remitted, in the form and manner set out in *"– Refunds*" on page 199.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the two weeks preceding the Relevant Date. However, a discount of not more than 5% of the Floor Price may be offered by our Company in accordance with the resolution of the shareholders of our Company dated June 25, 2024 and in terms of the provisions of the SEBI ICDR Regulations.

The "Relevant Date" referred to above, for Allotment, will be the date of the meeting in which our Board decides to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares of our Company of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date.

Build-up of the Book

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Book Running Lead Managers. Such Bids cannot be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the Book Running Lead Managers.

Price Discovery and Allocation

Our Company, in consultation with the Book Running Lead Managers, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations as approved by our shareholders pursuant to resolution dated June 25, 2024.

After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the Book Running Lead Managers on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with Book Running Lead Managers has the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws. **THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL BIDDERS. BIDDERS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGERS IS OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.**

CAN

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the Book Running Lead Managers, in its sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Bid Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees in consultation with the BRLMs.

QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in "*Notice to Investors*" on page 2 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

5. Following the credit of Equity Shares into the successful Bidders' beneficiary accounts, our Company will apply for the final listing and trading approvals from the Stock Exchanges.

6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and our Company files the return of Allotment in connection with the Issue with the RoC.

7. After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file it with the Stock Exchanges as the Placement Document. Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document.

8. In the event that we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within 60 days from the date of receipt of application monies, our Company shall repay the application monies within 15 days from the expiry of 60 days, failing which our Company shall repay that monies with interest at the rate of 12% p.a. from expiry of the sixtieth day. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted (as set out in the Application Form), in the form and manner set out in the Refund Intimation Letter. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and Allot the Equity Shares offered in the Issue or on cancellation of the Issue, within 60 days from the date of receipt of the Bid Amount, our Company shall repay the Bid Amount within 15 days from expiry of 60 days, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the Companies Act, 2013.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and our Company files the return of Allotment in connection with the Issue with the RoC. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Other Instructions

Permanent Account Number or PAN

Each Bidder should mention its PAN allotted under the Income-tax Act, 1961. A copy of PAN card is required to be submitted with the Application Form. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank account details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Managers, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Book Running Lead Managers in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder. For details, see "– *Bid Process*" – "*Refunds*" on page 199.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Managers will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

PLACEMENT

Placement Agreement

The Book Running Lead Managers have entered into the Placement Agreement dated July 30, 2024 with our Company, pursuant to which the Book Running Lead Managers have agreed, subject to certain conditions, to manage the Issue and to act as placement agents in connection with the proposed Issue and procure subscription to Equity Shares on a reasonable efforts basis with Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, as amended and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

The Placement Agreement contains customary representations, warranties and indemnities from our Company, and it is subject to satisfaction of certain conditions and subject to termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are only being offered and sold (a) within the United States only to U.S. QIBs in transactions exempt from or not subject to the registration requirements of the Securities Act, and (b) outside the United States, in offshore transactions, in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For further information, see "*Distribution and Solicitation Restrictions*" and "*Transfer Restrictions*" on pages 202 and 209, respectively.

This Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares issued pursuant to the Issue, will be offered in India or overseas to the public or any members of the public or any other class of prospective investors, other than Eligible QIBs.

In connection with the Issue, the Book Running Lead Managers (or their respective affiliates) may, for its own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Managers may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Managers may purchase Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see "*Offshore Derivative Instruments*" on page 11.

Lock-up

Subject to exceptions set out below, our Company shall not for a period of 60 days from the date of Allotment, without the prior written consent of the Book Running Lead Managers, directly or indirectly, (a) purchase, lend, sell, offer, issue, contract to issue, issue or offer any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares or any securities convertible into or exercisable for Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned), or file any registration statement under the U.S. Securities Act, with respect to any of the foregoing; or (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise), (c) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale, or (d) publicly announce any intention to enter into any transaction falling within (a) to (c) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or publicly announce any intention to enter into any transaction falling within (a) to (c) above. Provided that, the foregoing restrictions shall not apply to (a) an issuance of Equity Shares or options pursuant to any employee stock option scheme formulated by our Company; and (b) any Encumbrance created on the Equity Shares or any other securities in the ordinary course of business of our Company.

Further, subject to exceptions set out below, each Promoter and members of the Promoter Group ("**Relevant Member**") shall not for a period of 60 days from the date of Allotment, without the prior written consent of the Book Running Lead Managers, directly or indirectly: (a) sell, lend, contract to sell any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; or (c) publicly announce any intention to enter into any transaction whether any such transaction described in (a) or (b) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or publicly announce any intention to enter into any transaction falling within (a) to (b) above. Provided that, the foregoing restrictions shall not apply to (a) any Encumbrance created in the ordinary course of business by the Promoters and/or members of the Promoter Group on the respective Equity Shares or securities held by them, as applicable, or (b) inter-se transfers between the Promoters and the members of the Promoter Group and/or between members of the Promoter Group.

DISTRIBUTION AND SOLICITATION RESTRICTIONS

The distribution of this Preliminary Placement Document or any offering material and the offering, sale or delivery of the Equity Shares is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Preliminary Placement Document or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

General

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to the Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI regulations. Each purchaser of the Equity Shares in the Issue will be deemed to have made acknowledgments and agreements as described under "*Transfer Restrictions*" on page 209.

Republic of India

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which the Issue is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public or any other class of investors other than Eligible QIBs. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, and will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

Australia

This Preliminary Placement Document:

- does not constitute a product disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) (the "Corporations Act");
- has not been, and will not be, lodged with the Australian Securities and Investments Commission ("ASIC"), as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act;
- does not constitute or involve a recommendation to acquire, an offer or invitation for issue or sale, an offer or invitation to arrange the issue or sale, or an issue or sale, of interests to a "retail client" (as defined in section 761G of the Corporations Act and applicable regulations) in Australia; and
- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors ("Exempt Investors"), available under section 708 of the Corporations Act.

The Equity Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the Equity Shares may be issued, and no draft or definitive Preliminary Placement Document, advertisement or other offering material relating to any Equity Shares may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Equity Shares, you represent and warrant to us that you are an Exempt Investor.

As any offer of the Equity Shares under this Preliminary Placement Document will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the Equity Shares you undertake to us that you will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those securities to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Bahrain

All applications for investment should be received, and any allotments should be made, in each case from outside Bahrain. This Preliminary Placement Document has been prepared for private information purposes for intended investors only who will be high net worth individuals and institutions. Our Company has not made and will not make any invitation to the public in the Kingdom of Bahrain and this Preliminary Placement Document will not be issued, passed to, or made available to the public generally. The Bahrain Monetary Agency ("**BMA**") has not reviewed, nor has it approved, this Preliminary Placement Document or the marketing of Equity Shares in the Kingdom of Bahrain. Accordingly, the Equity Shares may not be offered or sold in Bahrain or to residents thereof except as permitted by Bahrain law.

British Virgin Islands

The Equity Shares are not being, and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on our behalf. The Equity Shares may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands) (each a "**BVI Company**"), but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands.

This Preliminary Placement Document has not been, and will not be, registered with the Financial Services Commission of the British Virgin Islands. No registered prospectus has been or will be prepared in respect of the Equity Shares for the purposes of the Securities and Investment Business Act, 2010 or the Public Issuers Code of the British Virgin Islands.

Cayman Islands

No offer or invitation to subscribe for the Equity Shares may be made to the public in the Cayman Islands.

People's Republic of China

This Preliminary Placement Document does not constitute a public offer of the Equity Shares, whether by way of sale or subscription, in the People's Republic of China (the "**PRC**"). The Equity Shares are not being offered and may not be offered or sold, directly or indirectly, in the PRC to or for the benefit of, legal or natural persons of the PRC. According to the legal and regulatory requirements of the PRC, the Equity Shares may, subject to the laws and regulations of the relevant jurisdictions, only be offered or sold to non-PRC natural or legal persons in any country other than the PRC.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Relevant State**"), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation (as defined below), except that it may make an offer to the public in that Relevant State of any Equity Shares at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the Book Running Lead Managers for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Equity Shares shall require the Issuer or any Book Running Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Hong Kong

Each Book Running Lead Manager has represented, warranted and agreed that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Equity Shares other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**CWUMPO**") or which do not constitute an offer to the public within the meaning of the CWUMPO.

(ii) it has not issued or had in its possession for the purposes of the issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere any advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong), other than with respect to the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "**FIEA**") and disclosure under the FIEA has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Law of Japan ("**Japanese Resident**") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor" (*tekikaku kikan toshika*), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the FIEA (the "**Qualified Institutional Investor**"), the Equity Shares will be offered in Japan by a private placement to small number of investors (*shoninzu muke kanyu*), as provided under Article 23-13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (*tekikaku kikan toshikamuke kanyu*), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To subscribe the Equity Shares (the "**QII Equity Shares**"), such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor.

Kuwait

The Equity Shares have not been authorised or licensed for offering, marketing or sale in the State of Kuwait. The distribution of this Preliminary Placement Document and the offering and sale of the Equity Shares in the State of Kuwait is restricted by law unless a license is obtained from the Kuwaiti Ministry of Commerce and Industry in accordance with Law 31 of 1990.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia ("**Commission**") for the Commission's approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than

(i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services Licence; (iii) a person who acquires the Equity Shares, as principal, if the offer is on terms that the Equity Shares may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the Equity Shares is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities. The distribution in Malaysia of this Preliminary Placement Document is subject to Malaysian laws. This Preliminary Placement Document does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

Mauritius

The Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Preliminary Placement Document nor any offering material or information contained herein relating to the offer of the Equity Shares may be released or issued to the public in Mauritius or used in connection with any such offer. This Preliminary Placement Document does not constitute an offer to sell the Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

New Zealand

This Preliminary Placement Document is not a prospectus. It has not been prepared or registered in accordance with the Securities Act 1978 of New Zealand (the "**New Zealand Securities Act**"). This Preliminary Placement Document is being distributed in New Zealand only to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money, within the meaning of section 3(2)(a)(ii) of the New Zealand Securities Act ("**Habitual Investors**"). By accepting this Preliminary Placement Document, each investor represents and warrants that if they receive this Preliminary Placement Document in New Zealand, they are a Habitual Investor and they will not disclose this Preliminary Placement Document to any person who is not also a Habitual Investor.

Republic of Korea

The Equity Shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the "**FSCMA**"), and the Equity Shares have been and will be offered in Korea as a private placement under the FSCMA. None of the Equity Shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the "**FETL**"). Furthermore, the purchaser of the Equity Shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Equity Shares. By the purchase of the Equity Shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Equity Shares pursuant to the applicable laws and regulations of Korea.

Sultanate of Oman

This Preliminary Placement Document and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in Oman without the prior consent of the Capital Market Authority ("**CMA**") and then only in accordance with any terms and conditions of such consent. In connection with the offering of the Equity Shares, no prospectus has been filed with the CMA. The offering and sale of the Equity Shares described in this Preliminary Placement Document will not take place inside Oman. This Preliminary Placement Document is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof.

South Africa

Due to restrictions under the securities laws of South Africa, the Equity Shares are not offered, and the offer shall not be transferred, sold, renounced or delivered, in South Africa or to a person with an address in South Africa, unless one or other of the following exemptions applies:

i. the offer, transfer, sale, renunciation or delivery is to:

   (a) persons whose ordinary business is to deal in securities, as principal or agent;

   (b) the South African Public Investment Corporation;

   (c) persons or entities regulated by the Reserve Bank of South Africa;

   (d) authorised financial service providers under South African law;

   (e) financial institutions recognised as such under South African law;

   (f) a wholly-owned subsidiary of any person or entity contemplated in (c), (d) or (e), acting as an agent in the capacity of an authorised portfolio manager for a pension fund or collective investment scheme (in each case duly registered as such under South African law); or

   (g) any combination of the person in (a) to (f); or

ii. the total contemplated acquisition cost of the securities, for any single addressee acting as principal is equal to or greater than ZAR1,000,000.

No "offer to the public" (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted) (the "**South African Companies Act**")) in South Africa is being made in connection with the issue of the Equity Shares. Accordingly, this Preliminary Placement Document does not, nor is it intended to, constitute a "registered prospectus" (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. Any issue or offering of the Equity Shares in South Africa constitutes an offer of the Equity Shares in South Africa for subscription or sale in South Africa only to persons who fall within the exemption from "offers to the public" set out in section 96(1)(a) of the South African Companies Act. Accordingly, this Preliminary Placement Document must not be acted on or relied on by persons in South Africa who do not fall within section 96(1)(a) of the South African Companies Act (such persons being referred to as "**SA Relevant Persons**"). Any investment or investment activity to which this Preliminary Placement Document relates is available in South Africa only to SA Relevant Persons and will be engaged in South Africa only with SA relevant persons.

Qatar (excluding the Qatar Financial Centre)

The Equity Shares have not been offered, sold or delivered, and will not be offered, sold or delivered at any time, directly or indirectly, in the State of Qatar in a manner that would constitute a public offering. This Preliminary Placement Document has not been reviewed or registered with Qatari Government Authorities, whether under Law No. 25 (2002) concerning investment funds, Central Bank resolution No. 15 (1997), as amended, or any associated regulations. Therefore, this Preliminary Placement Document is strictly private and confidential, and is being issued to a limited number of sophisticated investors, and may not be reproduced or used for any other purposes, nor provided to any person other than the recipient thereof.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this Preliminary Placement Document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Preliminary Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorised financial adviser.

Qatar Financial Centre

This Preliminary Placement Document does not, and is not intended to, constitute an invitation or offer of securities from or within the Qatar Financial Center ("**QFC**"), and accordingly should not be construed as such. This Preliminary Placement Document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This Preliminary Placement Document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. The Company has not been approved or licensed by or registered with any licensing authorities within the QFC.

Singapore

This Preliminary Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Equity Shares were not offered or sold or caused to be made the subject of an invitation for subscription or purchase and will not be offered or sold or caused to be made the subject of an invitation for subscription or purchase, and this Preliminary Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Equity Shares, has not been circulated or distributed, nor will it be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore as modified and amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Notification under Section 309B of the SFA: The Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Equity Shares are: (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Switzerland

The Equity Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This Preliminary Placement Document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Equity Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Preliminary Placement Document nor any other offering or marketing material relating to the offering, the Company, the Equity Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of the Equity Shares will not be supervised by, the Swiss Financial Market Supervisory Authority and the offer of the Equity Shares has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the Equity Shares.

Saudi Arabia

This Preliminary Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations as issued by the board of the Saudi Arabian Capital Market Authority ("**CMA**") pursuant to resolution number 2-11-2004 dated October 4, 2004 as amended by resolution number 1-28-2008, as amended (the "**CMA Regulations**"). The CMA does not make any representation as to the accuracy or completeness of this Preliminary Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Preliminary Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorised financial adviser.

Taiwan

The Equity Shares have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorised to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Equity Shares in Taiwan.

United Arab Emirates (excluding the Dubai International Financial Centre)

This document does not constitute or contain an offer of securities to the general public in the United Arab Emirates (the "**UAE**"). No offering, marketing, promotion, advertising or distribution (together, "**Promotion**") of this document or the Equity Shares may be made to the general public in the UAE unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "SCA") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to "Qualified Investors" (excluding "High Net Worth Individuals") (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this document nor does any such entity accept any liability for the contents of this document.

Dubai International Financial Centre

This Preliminary Placement Document relates to an Exempt Offer in accordance with the Markets Rules 2012 of the Dubai Financial Services Authority ("**DFSA**"). This Preliminary Placement Document is intended for distribution only to persons of a type specified in the Markets Rules 2012 of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for this Preliminary Placement Document. The securities to which this Preliminary Placement Document relates may be illiquid and/ or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Preliminary Placement Document you should consult an authorised financial advisor. In relation to its use in the DIFC, this Preliminary Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

United Kingdom

No Equity Shares have been offered or will be offered pursuant to the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares, except that the Equity Shares maybe offered to the public in the United Kingdom at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation (as defined below);

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Book Running Lead Managers for any such offer; or

(c) in any other circumstances falling within Section 86 of the FSMA provided that no such offer of the Equity Shares shall require the Issuer or any Book Running Lead Manager to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

United States

See "*Transfer Restrictions*" on page 209.

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, purchasers are not permitted to sell the Equity Shares Allotted pursuant to the Issue, for a period of one year from the date of Allotment, except on the BSE or the NSE. Allotments made to Eligible FPIs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. Additional transfer restrictions applicable to the Equity Shares are listed below. Additionally, Allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "*Distribution and Solicitation Restrictions*" on page 202.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Until the expiry of 40 days after the commencement of the Issue, an offer or sale of the Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

The Equity Shares are only being offered and sold:

(i) in the United States or to, or for the account or benefit of, to U.S. QIBs in transactions exempt from or not subject to the registration requirements of the Securities Act; and

(ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur,

and, in each case, to purchasers who are deemed to have made the representations set forth immediately below.

Equity Shares Offered and Sold within the United States

Each purchaser that is acquiring the Equity Shares offered pursuant to this Issue within the United States, by its acceptance of this Preliminary Placement Document and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with our Company and the Book Running Lead Managers that it has received a copy of this Preliminary Placement Document and such other information as it deems necessary to make an informed investment decision and that:

(i). the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Issue in compliance with all applicable laws and regulations;

(ii). the purchaser acknowledges that the Equity Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;

(iii). the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of a U.S. QIB with respect to which it exercises sole investment discretion;

(iv). the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;

(v). if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A, (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act, (iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder, if available, (iv) pursuant to another available exemption from the registration requirements of the Securities Act, or (v) pursuant to an effective registration statement under the Securities Act, and (B) in accordance with all applicable laws, including the securities laws of the states of the United States;

(vi). the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resale of any such Equity Shares;

(vii). the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act;

(viii). The purchaser agreed, that on behalf of itself and on behalf of any accounts for which it is acting, that it will not reoffer, resell, pledge or otherwise transfer the Equity Shares, except in an offshore transaction on a recognized Indian stock exchange in compliance with Regulation S, or pursuant to an applicable exemption from the registration requirements of the Securities Act.

(ix). the purchaser is not acquiring the Equity Shares as a result of any form of "general solicitation" or "general advertising" (within the meaning of Rule 502(c) under the Securities Act) or any "directed selling efforts" (as that term is defined in Regulation S);

(x). the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

"THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE US SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, OR (4) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 FOR RESALE OF ANY SUCH EQUITY SHARES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THESE EQUITY SHARES MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE EQUITY SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK";

(x). the purchaser acknowledges that our Company, the Book Running Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account; and

(xi). our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions

All Other Equity Shares Offered and Sold in this Issue

Each purchaser that is acquiring the Equity Shares offered pursuant to this Issue outside the United States, by its acceptance of this Preliminary Placement Document and of the Equity Shares offered pursuant to this Issue, will be deemed to have acknowledged, represented to and agreed with our Company and the Book Running Lead Managers that it has received a copy of this Preliminary Placement Document and such other information as it deems necessary to make an informed investment decision and that:

(i). the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Issue in compliance with all applicable laws and regulations;

(ii). the purchaser acknowledges that the Equity Shares offered pursuant to this Issue have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered, resold, pledged or transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;

(iii). the purchaser is purchasing the Equity Shares offered pursuant to this Issue from outside the United States in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the Securities Act;

(iv). the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to this Issue, was located outside the United States at the time (i) the offer was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United Sates or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;

(v). the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;

(vi). the purchaser is not acquiring the Equity Shares as a result of any form of "general solicitation" or "general advertising" (within the meaning of Rule 502(c) under the Securities Act) or any "directed selling efforts" (as that term is defined in Regulation S);

(vii). if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, it will only do so pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, and in each case in accordance with any applicable securities laws of any state of the United States or other applicable jurisdiction;

(viii). the purchaser acknowledges that our Company, the Book Running Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account; and

(ix). our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions.

(x). The purchaser agreed, that on behalf of itself and on behalf of any accounts for which it is acting, that it will not reoffer, resell, pledge or otherwise transfer the Equity Shares, except in an offshore transaction on a recognized Indian stock exchange in compliance with Regulation S, or pursuant to an applicable exemption from the registration requirements of the Securities Act.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the respective websites of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Book Running Lead Managers or any of their respective affiliates or advisors.

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 9, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SCR (SECC) Rules**"), which regulate, *inter alia,* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules, along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investor, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, the BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. The NSE was recognised as a stock exchange under the SCRA in April 1993.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Further, the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 govern the voluntary and compulsory delisting of equity shares from the stock exchanges.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such the public shareholding having fallen below the 25% threshold. However, every listed public sector company whose public shareholding falls below 25% at any time on or after the commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018, shall increase its public shareholding to at least 25%, within a period of three years from the date of such commencement or fall, respectively, in the manner specified by SEBI. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above mentioned requirements. Further, pursuant to the budget for financial year 2020, SEBI has been authorised to consider increasing the minimum public shareholding requirement to 35%.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Disclosures under the SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the SEBI Takeover Regulations, which provides for specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The SEBI Takeover Regulations prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

SEBI Insider Trading Regulations

SEBI had earlier notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 to prohibit and penalise insider trading in India. The regulations, among other things, prohibited an 'insider' from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the erstwhile regulations of 1992. The SEBI Insider Trading Regulations, *inter alia*, impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations.

Further, the board of directors or head(s) of the listed entities are required to maintain a structured digital database containing, inter alia, the nature of UPSI, the names of such persons who have shared the UPSI and the names of persons with whom such UPSI is shared under the SEBI Insider Trading Regulations.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of SEBI.

Buy-back

A company may buy-back its shares subject to compliance with the requirements of Section 68 of the Companies Act and the SEBI (Buy-back of Securities) Regulations 2018, as amended. Under Section 68 of the Companies Act, a company may buy-back its shares out of its free reserves or securities premium account or the proceeds of the issue of any shares or other specified securities, other than proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.

DESCRIPTION OF THE EQUITY SHARES

Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below. Capitalised terms used in this section have the meaning given to them in the Articles of Association of our Company. Each provision below is numbered as per the corresponding article number in the Articles of Association of our Company. The prospective investors are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share Capital and Variation of Rights

The authorised share capital of our Company is 15,00,00,00,000 divided into 1,50,00,00,000 Equity Shares of face value ₹10 each.

Article 2 provides that subject to the provisions of the Act and these Articles, the shares in the capital of our Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at par or at a premium or at consideration otherwise than in cash and at such time as they may from time to time think fit. Our Company may issue equity shares with voting rights and/or with differential rights as to dividend, voting or otherwise in accordance with the Rules and preference shares.

Article 3 provides that every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue provide, (a) one certificate for all his shares without payment of any charges; or (b) several certificates, each for one or more of his shares, upon payment of such sum as may be prescribed for each certificate after the first. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon. In respect of any share or shares held jointly by several persons, our Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

Article 5 provides that if any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to our Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of our Company and on execution of indemnity or such other documents as may be prescribed by our Board, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by our Board. The provisions of the foregoing article relating to issue of certificates shall *mutatis mutandis* apply to debentures or other securities of our Company.

Article 8 provides that if at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided) may, subject to the provisions of the Act, and whether or not our Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of shareholders of that class. Subject to the provisions of the Act, to every such separate meeting, the provisions of the Articles of our Company relating to meeting shall *mutatis mutandis* apply.

Article 9 provides that the rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

Lien

Article 12 provides that our Company have a first and paramount lie on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to our Company. The Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

Our Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

Article 13 provides that our Company may sell, in such manner as our Board thinks fit, any shares on which our Company has a lien. Provided that no sale shall be made—

a) Unless a sum in respect of which the lien exists is presently payable;
b) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount

in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

Article 14 provides that to give effect to any such sale, our Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Article 15 provides that the proceeds of the sale shall be received by our Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale. The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities including debentures of our Company.

Transfer of Shares

Article 24 provides that:

(a) The Board may decline to recognize any instrument of transfer unless:

- (i) the instrument of transfer is in the form prescribed under the Companies Act;
- (ii) the instrument of transfer is accompanied by the certificate of shares to which it relates, and such other evidence as our Board may reasonably require to show the right of the transferor to make the transfer; and
- (iii) the instrument of transfer is in respect of only one class of shares.

Article 25 provides that on giving not less than seven days' previous notice in accordance with the Companies Act and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as our Board may from time to time determine: Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

Article 26 provides that the provisions of the Articles relating to transfer of shares, shall, *mutatis mutandis*, apply to any other securities including debentures of our Company.

Transmission of Shares

Article 27 provides that on the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by our Company as having any title to his interest in the shares. Nothing in the earlier clause shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

Article 28 provides that any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by our Board and subject as hereinafter provided, elect, either (a) to be registered himself as holder of the share; (b) to make such transfer of the share as the deceased or insolvent member could have made. Our Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

Article 29 provides that if the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to our Company a notice in writing signed by him stating that he so elects. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

Article 30 provides that a person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of our Company: Provided that our Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with, within ninety days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

Article 31 provides that our Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that our Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice referred thereto in any book of our Company and our Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of our Company, but our Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto it the Directors shall so think fit.

Forfeiture of Shares

Article 32 provides that if a member fails to pay any call, or instalment of a call or any money due in respect of any share on the day appointed for payment thereof, our Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

Article 33 provides that the notice aforesaid shall:

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

Article 34 provides that if the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of our Board to that effect.

Article 35 provides that a forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

Article 37 provides that a person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to our Company all monies which, at the date of forfeiture, were presently payable by him to our Company in respect of the shares.

Article 38 provides that a duly verified declaration in writing that the declarant is a Director, the Manager or the Secretary, of our Company, and that a share in our Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Our Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of. The transferee shall thereupon be registered as the holder of the share, and the transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

Article 39 provides that the provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Alteration of Share Capital

Article 40 provides that our Company may, from time to time, increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

Article 41 provides that subject to the provisions of the Act, our Company may, from time to time,—

(a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
(b) Convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
(c) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
(d) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

Article 42 provides that where shares are converted into stock, the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit. Provided that our Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of our Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of our Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage. Regulations of our Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

Voting Rights

Article 55 provides that subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every Member present in person shall have one vote and on a poll or through voting by electronic means, the voting rights of members shall be in proportion to his share in the paid-up equity share capital.

Article 56 provides that a Member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

Article 57 provides that in case of joint holders the vote of first named of such joint holders in the Register of Members who tender a vote whether in person or by proxy shall be accepted, to the exclusion of the votes of other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.

Article 58 provides that a member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll or through voting by electronic means, by his nominee or other legal guardian, and any such nominee or guardian may, on a poll, vote by proxy.

Article 60 provides that no Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable in respect of shares by such Member have been paid.

Article 61 provides that no objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Proxy Meetings

Article 62 provides that the instrument appointing a proxy and power of attorney or other authority (if any) under which it is signed or a notarized copy of that power or authority shall be deposited at the registered office of our Company not less than forty eight hours prior to the time fixed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in case of a poll, not less than twenty four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

Article 63 provides that an instrument appointing a proxy shall be in the form as prescribed in the rules made under the Act.

Article 64 provides that a vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by our Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Directors

Article 65 provides that unless otherwise determined by General Meeting, the number of Directors shall not be less than three and not more than fifteen .

Article 66 provides that subject to provisions of the Companies Act, our Board shall have the power to determine the Directors whose period of office is or is not liable to determination by retirement of directors by rotation.

Article 67 provides that the same individual may, at the same time, be appointed as Chairman as well as Managing Director or Chief Executive Officer of our Company.

Article 69 provides that our Company may exercise the powers conferred on it by the Companies Act with regard to the keeping of a foreign register; and our Board may (subject to the provisions under the Companies Act) make and vary such regulations as it may think fit respecting the keeping of any such register.

Article 72 provides that our Board shall have power at any time, and from time to time, to appoint a person as an Additional Director, provided the number of the Directors and Additional Directors together shall not at any time exceed the maximum strength fixed for our Board by the Articles. Such person shall hold office only up to the date of the next Annual General Meeting of our Company but shall be eligible for appointment by our Company as a Director at that meeting subject to the provisions of the Companies Act.

Article 73 provides that our Board may appoint an Alternate Director to act for a Director (herein after in this Article called "the Original Director") during his absence for a period not less than three months from India. No person shall be appointed as an Alternate Director for an Independent Director unless he is qualified to be appointed as an Independent Director under the provisions of the Act.

a) An Alternate Director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when Original Director returns to India.

b) If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not the Alternate Director.

Article 74 provides that if the office of any director appointed by our Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by our Board of Directors at a meeting of our Board. The Director so appointed shall hold office only upto the date till which the Director in whose place he is appointed would have held office if it had not been vacated.

Proceedings of our Board of Directors and Committees

Article 80 provides that our Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be Chairperson of the meeting.

Article 81 provides that our Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by our Board.

Article 81 provides that:

a) A Committee may elect a Chairperson of its meetings.
b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

Article 83 provides that a Committee may meet and adjourn as it thinks fit. Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

Article 84 provides that all acts done in any meeting of our Board or of a Committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.

Article 85 provides that save as otherwise expressly provided in the Companies Act, a resolution in writing, signed by all the members of our Board or of a Committee thereof, whether manually or electronically, for the time being entitled to receive notice of a meeting of our Board or Committee, shall be valid and effective as if it had been passed at a meeting of our Board or Committee, duly convened and held.

Managing Directors/Whole Time Directors

Article 86 provides that:

(a) Subject to the provisions of the Companies Act and of the Articles, our Board shall have power to appoint from time to time any of its members as Managing Director or Managing Directors and/or Whole Time Directors of our Company for a fixed term not exceeding five years at a time and upon such terms and conditions, including liability to retire by rotation, as our Board thinks fit, and our Board may by resolution vest in such Managing Director or Managing Directors/Whole-time Director(s), such of the power hereby vested in our Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may be by way of monthly remuneration and/ or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.

(b) The Directors may whenever they appoint more than one Managing Director, designate one or more of them as "Joint Managing Director" or "Joint Managing Directors" or "Deputy Managing Directors" as the case may be.

(c) Subject to the provisions of the Companies Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in the General Meeting and of the Central Government, if required.

Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer

Article 87 provides that subject to the provisions of the Act:

(a) A Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer may be appointed by our Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any Chief Executive Officer, Manager, Company Secretary or Chief Financial officer so appointed may be removed by means of a resolution of the Board;

(b) A Director may be appointed as Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer.

A provision of the Companies Act or these regulations requiring or authorizing a thing to be done by or to a Director and Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, Chief Executive officer, Manager, Company Secretary or Chief Financial Officer.

Dividend

Article 89 provides that our Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board, but our Company in a General Meeting may declare a lesser dividend.

Article 90 provides that our Board may from time to time pay to the members such interim dividends of such amount on such class of shares as appear to it to be justified by the profits of our Company.

Article 91 provides that our Board may, before recommending any dividend, set aside out of the profits of our Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of our Board, be applicable for any purpose to which the profits of our Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of our Company or be invested in such investments (other than shares of our Company) as our Board may, from time to time, thinks fit. Our Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

Article 92 provides that subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in our Company, dividends may be declared and paid according to the amounts of the shares. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

Article 93 provides that our Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to our Company on account of calls or otherwise in relation to the shares of our Company.

Article 94 provides that:

a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

c) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. Our Company will not be responsible for any payment which is lost or delayed. Our Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

Article 98 provides that no dividend shall bear interest against our Company.

Winding Up

Article 101 provides that subject to the applicable provisions of the Companies Act and rules made thereunder:

a) If our Company shall be wound up, the liquidator may, with the sanction of a special resolution of our Company and any other sanction required by the Companies Act, divide amongst the members, in specie or kind, the whole or any part of the assets of our Company, whether they shall consist of property of the same kind or not.

b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity

Article 102 provides that every officer of our Company shall be indemnified out of the assets of our Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the tribunal.

TAXATION

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO OUR COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To,
The Board of Directors
Adani Energy Solutions Limited
(formerly known as Adani Transmission Limited)
Adani Corporate House, Shantigram
Near Vaishno Devi Circle, S. G. Highway
Khodiyar, Ahmedabad
Gujarat, India

SBI Capital Markets Limited
Unit No. 1501, 15th floor, A & B Wing,
Parinee Crescenzo Building, Plot C- 38,
G Block, Bandra Kurla Complex,
Bandra (East),
Mumbai- 400 051,
Maharashtra, India

Jefferies India Private Limited
Level 16, Express Towers,
Nariman Point,
Mumbai – 400 021, India

(SBI Capital Markets Limited and Jefferies India Private Limited, or any other book running lead manager that may be appointed in relation to the Issue (as defined below) are referred to as the "**Book Running Lead Managers**" or "**BRLMs**")

Dear Madam(s) / Sir(s),

Sub: Qualified Institutions Placement of equity shares of face value ₹10 each ("Equity Shares") (such placement, the "Issue") by Adani Energy Solutions Limited (formerly known as Adani Transmission Limited) (the "Company")

1. We, Dharmesh Parikh & Co LLP, Chartered Accountants, (Firm Registration Number - 112054W/W100725) hereby confirm that the enclosed **Annexure A** states the possible tax benefits available to the Company, its subsidiaries and to its shareholders (the "**Statement**"), under direct and indirect taxes (together, the "**Tax Laws**") presently in force in India. These possible special tax benefits are dependent on the Company, its subsidiaries and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company, its subsidiaries and its shareholders to derive these possible tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company, its subsidiaries and its shareholders may or may not choose to fulfil such conditions.
2. The benefits discussed in the enclosed **Annexure A** are not exhaustive and cover the possible special tax benefits available to the Company, its subsidiaries and its shareholders and do not cover any general tax benefits available to them. The Statement is only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her or its own tax consultant with respect to the specific tax implications arising out of their participation in the proposed Issue, particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither do we suggest nor do we advise the investors to invest money based on this Statement.
3. We do not express any opinion or provide any assurance as to whether:
   i) the Company, its subsidiaries and its shareholders will continue to obtain these possible special tax benefits in future; or
   ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with, or
   iii) the revenue authorities will concur with the views expressed herein.
4. The contents of the enclosed **Annexure A** are based on the information, explanation and representations obtained from the Company, and on the basis of our understanding of the business activities and operations of the Company.

5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
6. We confirm that the information in this certificate is true, accurate, complete and not misleading and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.
7. Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the preliminary placement document and placement document of the Company prepared in connection with the Issue to be filed with the stock exchanges on which the Equity Shares of the Company are listed (the "**Stock Exchanges**") and any other authority (together the "**Placement Documents**").
8. We consent to the inclusion of the above information in the Placement Documents to be filed by the Company with the Stock Exchanges, the Securities and Exchange Board of India ("**SEBI**"), and the Registrar of Companies, Gujarat at Ahmedabad, and any other authority and such other documents as may be prepared in connection with the Issue.
9. The aforesaid information herein has been provided at the request of the Company and may be relied upon by the BRLMs and legal counsels appointed pursuant to the Issue and may be submitted to the Stock Exchanges, SEBI, and any other regulatory or statutory authority in respect of the Issue and/or for the purpose of conducting due diligence and maintaining records by the BRLMs in connection with the Issue and for any defense, the BRLMs may advance in any claim or proceeding or any other matter in connection with the contents of the Placement Documents. We do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come save as where expressly agreed by our prior consent in writing.
10. We undertake to immediately inform the BRLMs and legal counsels in case of any changes to the above until the date when the Equity Shares pursuant to the Issue commence trading on the Stock Exchanges. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate.

For Dharmesh Parikh & Co LLP
Chartered Accountants
Firm Registration Number: 112054W/W100725
Peer Review Certificate Number: 014652
Chirag Shah
Partner
Membership Number: 122510
Place: Ahmedabad
Date: July 27, 2024
UDIN: 24122510BKASSU4334

CC:

Cyril Amarchand Mangaldas
5th Floor, Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013
Maharashtra, India

Trilegal
One World Centre,
10th floor, Tower 2A & 2B,
Senapati Bapat Marg, Lower Parel
Mumbai 400 013 Maharashtra, India

Latham & Watkins LLP
9 Raffles Place,
#42-02 Republic Plaza,
Singapore - 048619

ANNEXURE A

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY, ITS SHAREHOLDERS AND ITS MATERIAL SUBSIDIARIES

I. Special Direct tax benefits available to the Company & its Material Subsidiaries

The statement of tax benefits enumerated below is as per the Income-tax Act, 1961 ("Act") as amended from time to time and applicable for Financial Year 2024-25 relevant to the assessment year 2025-26.

1. Deduction under section 80-IA of the Act:

According to Section 80-IA of the Act, a deduction is available to the Company in respect of the profits and gains derived by an undertaking from any eligible business being the business of generation of power or transmission or distribution of power. Material Subsidiaries of the Company namely Adani Transmission (India) Limited, Maharashtra Eastern Grid Power Transmission Company Limited and Adani Electricity Mumbai Limited are eligible to claim the deduction in accordance with the provisions of Section 80-IA (4) (iv) of the Act for a period of 10 consecutive Assessment Years ("AY") out of 15 years beginning from the year in which the undertaking has commenced generation of power or transmission or distribution of power, subject to fulfillment of the prescribed conditions under the Act.

2. Lower corporate tax rate under section 115BAA of the Act:

A new section 115BAA has been inserted in the Act by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. April 1, 2020 (A.Y. 2020-21). Section 115BAA grants an option to a domestic company to be governed by the section from a particular assessment year. If a company opts for section 115BAA of the Act, it can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%). Section 115BAA of the Act further provides that domestic companies availing the option will not be required to pay Minimum Alternate Tax (MAT) on their 'book profits' under section 115JB of the Act.

However, such a company will no longer be eligible to avail specified exemptions / incentives under the Act and will also need to comply with the other conditions specified in section 115BAA. Also, if a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

The Company have opted for the lower corporate tax rate of 25.168% (prescribed under section 115BAA of the Act). However, Material Subsidiaries of the Company have still continues under Old Tax Regime since the same is more beneficial due to tax holiday under Section 80-IA of the Income Tax Act as stated above.

3. Deductions from Gross Total Income

<u>Deduction in respect of employment of new employees</u>

Subject to the fulfilment of prescribed conditions, the Company is entitled to claim deduction of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided under section 80JJAA.

<u>Deduction in respect of inter-corporate dividends – Section 80M of the Act</u>

Subject to the fulfilment of prescribed conditions, dividend received by the Company from any other domestic company, or a foreign company or a business trust shall be eligible for deduction while computing its total income for the relevant year. The amount of such deduction would be restricted to the amount of dividend distributed by the Company upto one month prior to the due date for furnishing the return of income under sub-section (1) of section 139 of the Act. Where the Company has investments in Indian subsidiaries and other companies, if any, it can avail of the above-mentioned benefit under Section 80M of the Act.

II. Special Direct tax benefits available to the Shareholders

1. Dividend income earned by the shareholders:

Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholders, deduction under section 80M of the Act would be available on fulfilling the conditions (as discussed above). Further, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not, surcharge would be restricted to 15%, irrespective of the amount of dividend.

2. Long-term capital gains arising in the hands of the shareholders:

As per section 112A of the Act, long-term capital gains exceeding Rs.1,00,000 arising on the transfer of an equity share in a company or a unit of an equity-oriented fund or a unit of a business trust, transacted through a recognized stock exchange on which Securities Transaction Tax ("STT") has been paid, shall be chargeable to tax in the hands of the shareholder at concessional tax rate of 10% (plus applicable surcharge and cess) without applying the benefit of indexation under the first and second provisos to section 48 of the Act.

3. Short-term capital gains arising in the hands of the shareholders:

Section 111A of the Act provides concessional tax rate of 15% (plus applicable surcharge and cess) in respect of short-term capital gains (provided the short-term capital gains exceed the basic threshold limit of exemption, where applicable) arising from the transfer of a short term capital asset (i.e. capital asset held for the period of less than 12 months) being an equity share in a company or a unit of an equity oriented fund wherein STT is paid on both acquisition and transfer.

4. Tax benefits for non-resident shareholders

In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the nonresident has fiscal domicile.

Further, any income by way of capital gains or dividend accruing to non-residents may be subject to withholding tax per the provisions of the Act or under the relevant DTAA, whichever is beneficial to such non-resident. However, where such non-resident has obtained a lower withholding tax certificate from the tax authorities, the withholding tax rate would be as per the said certificate. The non-resident shareholders can also avail credit of any taxes paid by them, subject to local laws of the country in which such shareholder is resident.

III. Special Indirect tax benefit available to the Company & its Material Subsidiaries

There are no special Indirect Tax benefits available to the Company. The Material Subsidiaries of the Company are engaged in Transmission or distribution of electricity. Under the Goods and Services Tax legislation, absolute exemption has been granted to an electricity transmission or distribution utility in relation to transmission or distribution of electricity by way of Notification No. 12/2017 – Central Tax (Rate) dated June 28, 2017. To mean, no GST is levied at the time of providing services of transmission or distribution of electricity.

IV. Special indirect tax benefits available to the Shareholders

There are no special Indirect Tax benefits available to the shareholders of the Company.

Notes:

1. We have not considered the general tax benefits available to the Company, its Material Subsidiaries or shareholders of the Company.
2. These special tax benefits stated above are dependent on the Company, its Material Subsidiaries or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.
3. The above views are based on the existing provisions of laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.
4. The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares.
5. This Annexure is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her tax advisor with respect to specific taxes arising out of the shares allotted.

6. This statement does not discuss any tax consequences in a country outside India of an investment in the shares. The shareholders / investors in the country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them.
7. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:

   a. the Company or its shareholders will continue to obtain these benefits in future;
   b. the conditions prescribed for availing the benefits have been/ would be met with; and
   c. the revenue authorities/courts will concur with the view expressed herein.

U.S. FEDERAL INCOME TAX CONSIDERATIONS

There may be certain material Indian tax consequences to a U.S. holder (as defined below) of ownership of Equity Shares which are based upon laws, regulations, decrees, rulings, income tax conventions (treaties), administrative practice and judicial decisions in effect at the date of this Preliminary Placement Document. Legislative, judicial or administrative changes or interpretations may, however, be forthcoming that could alter or modify the statements and conclusions set forth herein. Any such changes or interpretations may be retroactive and could affect the tax consequences to holders of the Equity Shares. For information on Indian taxation, please refer to "*Statement of Tax Benefits*" of this Preliminary Placement Document.

Certain U.S. Federal Income Tax Considerations

The following discussion describes certain U.S. federal income tax consequences to U.S. Holders (as defined below) under present law of an investment in the Equity Shares. This summary applies only to U.S. Holders that acquire Equity Shares in exchange for cash in the Issue, hold Equity Shares as capital assets within the meaning of Section 1221 of the Code (as defined below) and have the U.S. dollar as their functional currency.

This discussion is based on the tax laws of the United States as in effect on the date of this Preliminary Placement Document, including the Internal Revenue Code of 1986, as amended (the "**Code**"), its legislative history and U.S. Treasury Regulations in effect or, in some cases, proposed, as of the date of this Preliminary Placement Document, as well as judicial and administrative interpretations thereof available on or before such date. All of the foregoing authorities are subject to change, and any such change could apply retroactively and could affect the U.S. federal income tax consequences described below. The statements in this Preliminary Placement Document are not binding on the U.S. Internal Revenue Service (the "**IRS**") or any court, and thus there can be no assurance that the U.S. federal income tax consequences discussed below will not be challenged by the IRS or will be sustained by a court if challenged by the IRS. Furthermore, this summary does not address any estate or gift tax consequences, any state, local or non-U.S. tax consequences or any other tax consequences other than U.S. federal income tax consequences.

The following discussion does not describe all the tax consequences that may be relevant to any particular investor or to persons in special tax situations such as:

1. banks and certain other financial institutions;
2. regulated investment companies;
3. real estate investment trusts;
4. insurance companies;
5. individual retirement accounts and other tax-deferred accounts;
6. broker-dealers;
7. traders that elect to mark to market;
8. tax-exempt entities;
9. persons liable for any alternative minimum tax or the Medicare contribution tax on net investment income;
10. U.S. expatriates;
11. persons holding Equity Shares as part of a straddle, hedging, constructive sale, conversion or integrated transaction;
12. persons that actually or constructively own 10 percent or more of the Company's stock (by vote or value);
13. persons subject to special tax accounting rules as a result of any item of gross income with respect to Equity Shares being taken into account in an applicable financial statement;
14. persons that are resident or ordinarily resident in or have a permanent establishment in a jurisdiction outside the United States;
15. persons who acquired Equity Shares pursuant to the exercise of any employee share option or otherwise as compensation; or
16. persons holding Equity Shares through partnerships or other pass-through entities or arrangements.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. PROSPECTIVE PURCHASERS ARE URGED TO CONSULT THEIR TAX ADVISORS ABOUT THE APPLICATION OF THE U.S. FEDERAL TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF EQUITY SHARES.

As used herein, the term "**U.S. Holder**" means a beneficial owner of Equity Shares that, for U.S. federal income tax purposes, is or is treated as:

(i) an individual who is a citizen or resident of the United States;

(ii) a corporation created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

(iii) an estate whose income is subject to U.S. federal income taxation regardless of its source; or

(iv) a trust that (1) is subject to the supervision of a court within the United States and the control of one or more U.S. persons or (2) has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

The tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Equity Shares generally will depend on such partner's status, the activities of the partnership and certain determinations made at the partner level. Prospective investors that are partners in entities or arrangements treated as partnerships for U.S. federal income tax purposes should consult their tax advisors concerning the U.S. federal income tax consequences to them and their partners of the purchase, ownership and disposition of Equity Shares by the partnership.

Escrowed Funds

Under the terms of the Issue, the application amount with respect to Bids for Equity Shares will be placed into the Escrow Account (such amount, the "**Escrowed Funds**") and, subject to satisfaction of certain conditions, will be released to the Company upon completion of the Issue. The U.S. federal income tax treatment of the Escrowed Funds is not clear. To the extent relevant for U.S. federal income tax purposes, the Company intends to treat the holding period of the Equity Shares received by a U.S. Holder as commencing only upon the release of the Escrowed Funds to the Company. Alternatively, it is possible that release of the Escrowed Funds to a U.S. Holder could result in a taxable exchange of the Equity Shares. Furthermore, a U.S. Holder may be required to recognize foreign exchange gain or loss in respect of such Escrowed Funds upon the release of the Escrowed Funds and could be subject to other adverse U.S. federal income tax consequences not discussed herein. Prospective investors should consult their tax advisors concerning the U.S. federal income tax consequences relating to the Escrow Account and the Escrowed Funds.

Dividends and Other Distributions on the Equity Shares

Subject to the passive foreign investment company ("**PFIC**") considerations discussed below, the gross amount of distributions made by the Company with respect to the Equity Shares (including the amount of any non-U.S. taxes withheld therefrom, if any) generally will be includible as dividend income in a U.S. Holder's gross income, to the extent such distributions are paid out of the Company's current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder's basis in the Equity Shares and thereafter as capital gain. Because the Company does not maintain calculations of its earnings and profits under U.S. federal income tax principles, a U.S. Holder should expect all cash distributions will be reported as dividends for U.S. federal income tax purposes. Such dividends will not be eligible for the dividends-received deduction allowed to U.S. corporations with respect to dividends received from other U.S. corporations. Dividends received by non-corporate U.S. Holders may be eligible for "qualified dividend income" treatment, which is taxed at the lower applicable capital gains rate, provided that (1) the Company is eligible for the benefits of the tax treaty between the United States and India, (2) the Company is not a PFIC (as discussed below) for either the taxable year in which the dividend was paid or the preceding taxable year, (3) the U.S. Holder satisfies certain holding period requirements and (4) the U.S. Holder is not under an obligation to make related payments with respect to positions in substantially similar or related property. U.S. Holders should consult their tax advisors regarding the availability of the lower rate for dividends paid with respect to the Equity Shares.

The amount of any distribution paid in foreign currency will be equal to the U.S. dollar value of such currency, translated at the spot rate of exchange on the date such distribution is received, regardless of whether the payment is in fact converted into U.S. dollars at that time.

Dividends on the Equity Shares generally will constitute foreign source income for U.S. foreign tax credit limitation purposes. Subject to certain complex conditions and limitations, Indian taxes withheld on any distributions on the Equity Shares may be eligible for credit against a U.S. Holder's federal income tax liability, or at such holder's election, may be eligible as a deduction in computing such holder's U.S. federal taxable income. If a refund of the tax withheld is available under the laws of India, the amount of tax withheld that is refundable will not be eligible for such credit against a U.S. Holder's U.S. federal income tax liability (and will not be eligible for the deduction against U.S. federal taxable income). If the dividends constitute qualified dividend income as discussed above, the amount of the dividend taken into account for purposes of calculating the U.S. foreign tax credit limitation will generally be limited to the gross amount of the dividend, multiplied by the reduced rate applicable to the qualified dividend income, divided by the highest rate of tax normally applicable to dividends. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends distributed by the Company with respect to the Equity Shares will generally be treated as foreign-source income and constitute "passive category income". Recently issued U.S. Treasury Regulations further restrict the availability of foreign tax credits. However, pursuant to subsequent guidance from the IRS which indicates that the U.S. Department of the Treasury and the IRS are considering proposing amendments to such Treasury Regulations, taxpayers may, subject to certain conditions, defer the application of many aspects of such Treasury Regulations for taxable years beginning on or after December 28, 2021 and ending before the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance). The rules relating to the determination of the U.S. foreign tax credit are complex, and U.S. Holders should consult their tax advisors regarding the availability of a U.S. foreign tax credit in their particular circumstances and the possibility of claiming a deduction (in lieu of the U.S. foreign tax credit) for any foreign taxes paid or withheld.

Sale or Other Taxable Disposition of Equity Shares

Subject to the PFIC rules discussed below, upon a sale or other taxable disposition of Equity Shares, a U.S. Holder generally will recognize capital gain or loss in an amount equal to the difference between the amount realized and the U.S. Holder's adjusted tax basis in such Equity Shares. Any such gain or loss generally will be treated as long term capital gain or loss if the U.S. Holder's holding period in the Equity Shares exceeds one year. Non-corporate U.S. Holders (including individuals) generally are subject to U.S. federal income tax on long-term capital gain at preferential rates. The deductibility of capital losses is subject to significant limitations. Gain or loss, if any, realized by a U.S. Holder on the sale or other disposition of Equity Shares generally will be treated as U.S. source gain or loss for U.S. foreign tax credit limitation purposes. As a result, the use of U.S. foreign tax credits relating to any Indian income tax imposed upon gains in respect of Equity Shares may be limited. Recently issued U.S. Treasury regulations further restrict the availability of foreign tax credits. However, pursuant to subsequent guidance from the IRS which indicates that the U.S. Department of the Treasury and the IRS are considering proposing amendments to such Treasury Regulations, taxpayers may, subject to certain conditions, defer the application of many aspects of such Treasury Regulations for taxable years beginning on or after December 28, 2021 and ending before the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance). Any Indian securities transaction tax will likely not be treated as a creditable foreign tax for U.S. federal income tax purposes. U.S. Holders should consult their tax advisors regarding the tax consequences if Indian taxes are imposed on a taxable disposition of Equity Shares and their ability to credit any Indian tax against their U.S. federal income tax liability.

If the consideration received upon the sale or other disposition of Equity Shares is paid in foreign currency, the amount realized will be the U.S. dollar value of the payment received, translated at the spot rate of exchange on the date of the sale or other taxable disposition. The Equity Shares are listed on the BSE Limited and the National Stock Exchange of India Limited. If the Equity Shares are treated as traded on an established securities market for U.S. federal income tax purposes and the relevant U.S. Holder is either a cash basis taxpayer or an accrual basis taxpayer who has made a special election (which must be applied consistently from year to year and cannot be changed without the consent of the IRS), such holder will determine the U.S. dollar value of the amount realized in foreign currency by translating the amount received at the spot rate of exchange on the settlement date of the sale. If the Equity Shares are not treated as traded on an established securities market, or the relevant U.S. Holder is an accrual basis taxpayer that does not elect to determine the amount realized using the spot rate on the settlement date, such U.S. Holder will recognize foreign currency gain or loss to the extent of any difference between the U.S. dollar amount realized on the date of sale or disposition (as determined above) and the U.S. dollar value of the currency received translated at the spot rate of exchange on the settlement date, and such gain or loss generally will constitute U.S. source ordinary income or loss.

A U.S. Holder's initial tax basis in Equity Shares generally will equal the cost of such Equity Shares. If a U.S. Holder used foreign currency to purchase the Equity Shares, the cost of the Equity Shares will be the U.S. dollar value of the foreign currency purchase price on the date of purchase, translated at the spot rate of exchange on that date. If the Equity Shares are treated as traded on an established securities market for U.S. federal income tax purposes and the relevant U.S. Holder is either a cash basis taxpayer or an accrual basis taxpayer who has made the special election described above, such holder will determine the U.S. dollar value of the cost of such Equity Shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase.

Passive Foreign Investment Company Considerations

The Company will be classified as a PFIC for any taxable year if either: (a) at least 75% of its gross income is "passive income" for purposes of the PFIC rules or (b) at least 50% of the value of its assets (determined on the basis of a quarterly average) is attributable to assets that produce or are held for the production of passive income. For this purpose, passive income includes interest, dividends and other investment income, with certain exceptions. Additionally, gains from commodities transactions may be considered passive income unless the active commodities income exception applies. The PFIC rules also contain a look-through rule whereby the Company will be treated as owning its proportionate share of the assets and earning its proportionate share of the income of any other corporation in which it owns, directly or indirectly, 25 percent or more (by value) of the stock.

Under the PFIC rules, if the Company were considered a PFIC at any time that a U.S. Holder holds the Equity Shares, the Company would continue to be treated as a PFIC with respect to such investment unless (i) the Company ceases to be a PFIC and (ii) the U.S. Holder has made a "deemed sale" election under the PFIC rules.

Based on the ownership and current and anticipated composition of the income, assets (including their expected value) and operations of the Company and its subsidiaries and the expected price of the Equity Shares in this Issue, although not free from doubt, the Company does not believe it was a PFIC for the year ended March 31, 2024 or will be a PFIC for the current taxable year. However, the Company's PFIC status depends, in part, on the expected value of its goodwill, which could fluctuate significantly. Whether the Company is treated as a PFIC is a factual determination that is made on an annual basis after the close of each taxable year. This determination will depend on, among other things, the ownership and composition of the income and assets, as well as the value of the assets (which may fluctuate with the Company's market capitalization) of the Company and its subsidiaries from time to time. Moreover, the application of the PFIC rules is unclear in certain respects. The IRS or a court may disagree with the Company's determinations, including the manner in which the Company applies the active commodities income exception, and determines the value of its assets and the percentage of its assets that are passive assets under the PFIC rules. Therefore, there can be no assurance that the Company will not be classified as a PFIC in any taxable year.

If the Company were a PFIC for any taxable year during which a U.S. Holder held Equity Shares, gain recognized by a U.S. Holder on a sale or other disposition (including certain pledges) of the Equity Shares, as well as the amount of any "excess distribution" (defined below) received by the U.S. Holder, would be allocated ratably over the U.S. Holder's holding period for the Equity Shares. The amounts allocated to the taxable year of the sale or other disposition (or the taxable year of receipt, in the case of an excess distribution) and to any year before the Company became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed on the tax on such amount. For purposes of these rules, an excess distribution is the amount by which any distribution received by a U.S. Holder on its Equity Shares exceeds 125 percent of the average of the annual distributions on the Equity Shares received during the preceding three years or the U.S. Holder's holding period, whichever is shorter. In addition, if the Company is a PFIC and it owns equity in one or more foreign entities that is also a PFIC, a U.S. Holder may also be subject to the adverse tax consequences described above with respect to any gain or "excess distribution" realized or deemed realized in respect of such lower-tier PFIC. If the Company is considered a PFIC, a U.S. Holder will also be subject to annual information reporting requirements. Certain elections may be available that would result in alternative treatments (such as mark-to-market treatment) of the Equity Shares if the Company is considered a PFIC. U.S. Holders should consult their tax advisors about the potential application of the PFIC rules to an investment in the Equity Shares.

Information Reporting and Backup Withholding

Distributions with respect to Equity Shares and proceeds from the sale, exchange or redemption of Equity Shares may be subject to information reporting to the IRS and U.S. backup withholding. A U.S. Holder may be eligible for an exemption from backup withholding if the U.S. Holder furnishes a correct taxpayer identification number and makes any other required certification or is otherwise exempt from backup withholding. U.S. Holders who are required to establish their exempt status may be required to provide such certification on IRS Form W-9. U.S. Holders should consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a U.S. Holder's U.S. federal income tax liability, and such U.S. Holder may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing an appropriate claim for refund with the IRS and furnishing any required information.

Additional Information Reporting Requirements

Certain U.S. Holders who are individuals (and certain entities) that hold an interest in "specified foreign financial assets" (which may include the Equity Shares) are required to report information relating to such assets, subject to certain exceptions (including an exception for Equity Shares held in accounts maintained by certain financial institutions). Penalties can apply if U.S. Holders fail to satisfy such reporting requirements. U.S. Holders should consult their tax advisors regarding the applicability of these requirements to their acquisition and ownership of Equity Shares.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE IMPORTANT TO YOU. EACH PROSPECTIVE PURCHASER SHOULD CONSULT ITS TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN EQUITY SHARES UNDER THE INVESTOR'S OWN CIRCUMSTANCES

LEGAL PROCEEDINGS

Our Company is, from time to time, involved in various litigation proceedings in the ordinary course of our business. These legal proceedings are primarily in the nature of, amongst others, civil suits, criminal proceedings, writ petitions and tax proceedings. These legal proceedings may have been initiated by us or by customers, business partners, regulators, or other parties, and are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals.

*Except as disclosed in this section, there are no outstanding legal proceedings which have been considered material in accordance with our Company's "Material Events Policy", framed in accordance with Regulation 30 of the SEBI Listing Regulations and adopted by our Board pursuant to its resolution dated September 2, 2023. However, solely for the purpose of this Issue, our Company has disclosed in this section, to the extent applicable: (i) all outstanding criminal proceedings involving our Company, Directors and Material Subsidiaries, (ii) any outstanding action initiated by regulatory and statutory authorities (such as SEBI, RBI, Stock Exchanges or such similar authorities) involving our Company, Directors and Material Subsidiaries, (iii) any outstanding civil litigation / arbitration proceedings and tax proceedings involving our Company and Material Subsidiaries, which are quantifiable and where the amount involved is ₹63.21 crore ("**Materiality threshold**") (being 0.5 % of the consolidated net worth of the Company as of March 31, 2024) or above, (iv) all outstanding litigation involving our Company, Directors and Material Subsidiaries, which are non-quantifiable and may have a material adverse effect on our Company or which may otherwise be material for our Company and/or has been intimated to the Stock Exchanges by the Company in accordance with the materiality policy framed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (v) any outstanding proceedings involving the non-material Subsidiaries which has been intimated to the Stock Exchnages by our Company in accordance with our Company's "Material Events Policy", and (vi) any proceedings involving the non-material Subsidiaries, associates and Joint Venture which are considered material by our Company on a consolidated basis.*

This Preliminary Placement Document also discloses (i) any inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013 in the last three years immediately preceding the year of this Preliminary Placement Document initiated against our Company or its Subsidiaries, and any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document for our Company or Subsidiaries; (ii) details of material frauds committed against our Company in the last three years immediately preceding the year of this Preliminary Placement Document, and if so, the action taken by our Company; (iii) any significant and material order passed by the regulators, courts or tribunals impacting the going concern status of our Company and its future operations; (iv) any default by our Company including therein the amount involved, duration of default and present status, in repayment of: (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; or (d) loan from any bank or financial institution and interest thereon; (v) any default in annual filing of our Company under the Companies Act, 2013 or the rules made thereunder; and (vi) any litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against our Promoters during the last three years immediately preceding the year of this Preliminary Placement Document, and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action, if any.

It is clarified that for the above purposes, pre-litigation notices received by any of our Company, our Material Subsidiaries, our Directors and / or our Promoters (excluding notices issued by statutory or regulatory or taxation authorities or notices threatening criminal actions), have not been considered as litigation until such time that any of our Company, our Subsidiaries, our Directors and / or our Promoters are not impleaded as a defendant in the litigation proceedings before any judicial/ arbitral forum.

Litigation involving our Company

Criminal litigation involving our Company

Criminal litigation against our Company

Nil

Criminal litigation by our Company

Nil

Civil matters above the Materiality Threshold

Civil matters against our Company

1. Our Company had entered into a share purchase agreement dated December 21, 2017, with Reliance Infrastructure Limited ("**RIL**") and its erstwhile subsidiary Reliance Electric Generation and Supply Limited ("**REGSL**") (the "**SPA**"). Pursuant to the SPA, RIL transferred 100% of its shareholding in REGSL to our Company. Consequently, RESGL became a subsidiary of our Company and its name was changed to AEML. Subsequent to the SPA, disputes arose between our Company and RIL in relation to the income tax payable on approved regulatory assets and RIL claimed that it was entitled to a payment of approximately ₹13,392.23 crore, along with an interest of 12% per annum till the date of realisation, towards, inter alia, tax component of approved regulatory asset, tax deducted at source, past dues from customers collected, amounts adjusted in the adjusted sale shares consideration towards the payments to be made to vendors and third parties and rights relating to floor space index greater than 1 on certain plots of land, from AEML and our Company. In relation to the aforementioned dispute, RIL issued a notice of arbitration ("**Notice**") against AEML and our Company invoking arbitration before the Mumbai Centre for International Arbitration ("**MCIA**"). Our Company responded to the Notice sent by RIL and filed a copy of its response with the MCIA. Currently, the arbitration proceedings are pending, however, any further steps by either of the parties in the arbitration have been stayed by the Supreme Court of India.

2. A suit has been filed by Sumotek Innovation Private Limited ("**Plaintiff**") against our Company, Rural Electrification Corporation Power Development and Consultancy Limited and another ("**Defendants**"), before the High Court of Bombay ("**High Court**") alleging infringement of patent rights under, *inter alia*, Sections 48, 104, 108, 109 of the Patents Act, 1970 (the "**Suit**"). In terms of the Suit, the Plaintiff alleged, *inter alia*, that Rural Electrification Corporation Power Development and Consultancy Limited (a public sector undertaking) floated a tender for appointment of advanced metering infrastructure (AMI) service provider which was secured by our Company. The Plaintiff alleges that the tender was floated and allotted to our Company in violation of the Plaintiff's patent rights. The Plaintiff has prayed for, *inter alia*, a permanent injunction on the tender and a decree directing the Defendants to pay an amount of approximately ₹129.13 crore plus interest, or such other amount as the High Court may deem fit and proper towards royalty of the patent granted to the Plaintiff and damages for infringement of patent. Additionally, the Plaintiff has filed an interim application against the Defendants before the High Court, praying for, *inter alia,* a temporary injunction on the tender and a decree directing our Company to pay damages for the meters already installed. The matter is currently pending.

3. A suit has been filed by Sumotek Innovation Private Limited ("**Plaintiff**") against our Company, Assam Power Distribution Company Limited and others ("**Defendants**") before the Court of District and Sessions Judge, Kamrup (M) at Guwahati ("**District Court**"), alleging infringement of patent rights under Section 104 of the Patents Act, 1970 (the "**Suit**"). The Suit was filed by the Plaintiff for, *inter alia*, seeking a decree of declaration of the Plaintiff's right, title and interest over the invention of the Plaintiff, recovery of royalty or account of profit and/ or damages and a permanent injunction restraining the Defendants from using the technology covered under the Plaintiff's patent, without obtaining prior consent/ no objection certificate from the Plaintiff. Additionally, the Plaintiff prayed for a decree directing our Company to pay an amount of ₹75.77 crore, or such other amount as the District Court may deem fit and proper towards royalty of the patent granted to the Plaintiff and to pay the Plaintiff 10% of the actual profits earned from operations of the said patent. The matter is currently pending.

Civil matters by our Company

Nil

Outstanding actions by statutory or regulatory authorities against our Company

1. Our Company has received two show-cause notices from SEBI, alleging non-compliance of provisions of the listing agreement and SEBI Listing Regulations pertaining to related party transactions in respect of certain transactions with third parties, and relating to the validity of a peer review certificate of one of our former statutory auditors, in respect of an earlier period, respectively. Our Company has responded to such notices. The matters are currently pending.

Litigation involving our Material Subsidiaries

Criminal litigation involving our Material Subsidiaries

Criminal litigation against our Material Subsidiaries

AEML

1. A complaint was filed by Sohail Hamid Shaikh against Baban Nivrutti Bhambure ("**Accused**"), a retired officer of AEML, under the provisions of the Prevention of Corruption Act, 1988 ("**PC Act**") for demanding bribes (the "**Complaint**"). At the time when the Complaint was filed, AEML was incorporated as B. S. E. S. Limited and had no affiliation with our

Company. Pursuant to the Complaint, the Accused was arrested but later released by the special court under the PC Act as he did not qualify as a "public servant" under the provisions of the PC Act. Subsequently, a charge sheet was filed against the Accused for the offence of extortion under Section 384 of the IPC before the Court of the Metropolitan Magistrate, Andheri, Mumbai ("**Magistrate Court**"). The Accused filed an application for discharge before the Magistrate Court. The matter is currently pending.

2. A first information report ("**FIR**") was lodged by Bhadant Shilbodhi against five personnel of AEML ("**Accused**") at the Powai police station, under, *inter alia*, Sections 143, 147 and 149 of the IPC, on account of an altercation. At the time when the FIR was lodged, AEML was incorporated as Reliance Infrastructure Limited and had no affiliation with our Company. Subsequently, a charge sheet was filed against the Accused before the Court of the Metropolitan Magistrate, Andheri, Mumbai. The matter is currently pending.

3. A first information report ("**FIR**") was lodged by Jagdish Prasad Gupta ("**Complainant**") against Vijayrajan Korukutti Parul, a retired employee of AEML ("**Accused**"), at the Kandivali Police Station, alleging an offence committed under Section 304-A of the IPC. The Complainant's daughter had suffered electrocution near one of the AEML facilities and consequently lost her life (the "**Accident**"). At the time when the FIR was lodged, AEML was incorporated as Reliance Infrastructure Limited ("**RIL**") and had no affiliation with our Company. Pursuant to the FIR, a charge sheet was filed against the Accused before the Court of the Metropolitan Magistrate, Borivali. Subsequently, the Complainant, his wife (together the "**Parties**") and Reliance General Insurance Company Limited (in its capacity as insurers of RIL) entered into a deed of release dated January 11, 2012, pursuant to which the Parties accepted ₹135,000 as consideration in full and final settlement of all claims of the Parties, including any claims by potential claimants, in respect of the Accident. The matter is currently pending.

4. A criminal complaint was filed by Arumadurai T. Nadar against K. C. Vaidya ("**Accused**"), a retired employee of AEML and others, before the Court of the Metropolitan Magistrate, Andheri, Mumbai, under Sections 406, 465, 467, 468, 471 and 420 read with Section 34 of the IPC, alleging, *inter alia*, that the Accused had illegally installed a new electricity meter on the basis of forged documents. The matter is currently pending.

5. A criminal complaint was filed by Shitala Prasad G. Pandey ("**Complainant**") against two officers of AEML and others ("**Accused**"), before the Court of Additional Metropolitan Magistrate, Bandra, Mumbai, under Sections 427, 192, 200, 504 and 506 read with Section 34 of the IPC, alleging that the Accused installed an electricity meter at the property in which the Complainant was interested. The Complainant had also filed a written complaint with the Vakola Police Station in relation to this matter. The matter is currently pending.

6. A first information report ("**FIR**") was lodged by Khandu Vinchu against personnel of AEML, at the Kandivali Police Station. A woman had suffered electrocution at one of the construction sites being operated by AEML and consequently lost her life. At the time when the FIR was lodged, AEML was incorporated as RIL and had no affiliation with our Company. Pursuant to the FIR, a charge sheet was filed against the accused before the Court of the Metropolitan Magistrate, Borivali for allegedly committing the offence under Sections 304-A and 114 of the IPC. The matter is currently pending.

7. A first information report ("**FIR**") was lodged by Mohammad Yusuf Shaikh ("**Complainant**") against Dhananjay Purav, an employee of AEML (now deceased) at the Deonar Police Station, Mumbai, under Section 304-A of the IPC, alleging that the Complainant's son suffered electrocution by a wire installed and operated by AEML and consequently lost his life. At the time when the FIR was lodged, AEML was incorporated as Reliance Energy Limited and had no affiliation with our Company. Pursuant to the FIR, a charge sheet was filed against the accused before the Court of the Additional Chief Metropolitan Magistrate, Kurla, Mumbai in relation to the matter. The matter is currently pending.

8. A first information report ("**FIR**") was lodged by Najmunisa against Pramod Tayade and Shashikant Birud, officers of AEML, at the Sakinaka Police Station, Mumbai, under Section 304-A of the IPC, alleging that a minor suffered electrocution by a wire installed and operated by AEML and consequently lost his life. At the time when the FIR was lodged, AEML was incorporated as Reliance Energy Limited and had no affiliation with our Company. Pursuant to the FIR, a charge sheet was filed against the accused before the Court of the Metropolitan Magistrate, Andheri, Mumbai. The matter is currently pending.

9. A first information report ("**FIR**") was lodged by Surendrakumar Gautam against Yulumlai Muniyan, an employee of AEML and others ("**Accused**"), the personnel of AEML at the V. B. Nagar Police Station, Mumbai, under Sections 304-A and 34 of the IPC, alleging that a person had died by drowning due to the negligence of the Accused. At the time when the FIR was lodged, AEML was incorporated as Reliance Energy Limited and had no affiliation with our Company. Pursuant to the FIR, a charge sheet was filed against the Accused before the Court of the Additional Metropolitan Magistrate, Kurla, Mumbai. The matter is currently pending.

Criminal litigation by our Material Subsidiaries

Nil

Civil matters above the Materiality Threshold

Civil matters against our Material Subsidiaries

AEML

1. A complaint has been filed by some employees of one of our contractors ("**Complainants**") against AEML ("**Defendant**"), before the 6th Labour Court, Mumbai, alleging that they are permanent employees of the Defendant. At the time when the complaint was filed, AEML was incorporated as Reliance Energy Limited and had no affiliation with our Company. The Complainant's claim is disputed by our Company since the Complainants work under the supervision and control of the contractor and not our Company. The Complainants have sought, *inter alia*, to be given all the benefits available to the permanent employees of the Defendant such as basic pay, dearness allowance and leave facilities, and the aggregate amount involved in the proceeding is approximately ₹191.29 crore. The complaint was dismissed by the 6th Labour Court, Mumbai. Thereafter, aggrieved by the dismissal order, the Complainants filed an appeal and an application for interim relief before the Industrial Court, Mumbai under the provisions of The Bombay Industrial Relations Act, 1946. The matter is currently pending.

2. Vidarbha Industries Power Limited ("**VIPL**") filed a petition before the Maharashtra Electricity Regulatory Commission, Mumbai ("**MERC**") for final true-up of Fiscal 2015, provisional true-up of Fiscal 2016 and determination of the aggregate revenue requirement for Fiscal 2016 and multiyear tariff for Fiscal 2017 and Fiscal 2020 under Sections 61 and 62 of the Electricity Act. MERC disallowed, *inter alia*, fuel cost for Fiscal 2015 and Fiscal 2016, ash utilization and disposal expenses for Fiscal 2016 and additional operation and maintenance expenses towards a reverse osmosis plant ("**Tariff Order**"). Aggrieved by the Tariff Order, VIPL filed an appeal before the Appellate Tribunal for Electricity, New Delhi ("**APTEL**") under Section 111 of the Electricity Act. ATEPL decided in favour of VIPL, in relation to the issue of reclaiming fuel costs incurred by it due to a delay in the execution of the fuel supply agreement with Coal India Limited ("**Impugned Order**"). Thereafter, aggrieved by the Impugned Order, MERC filed an appeal before the Supreme Court of India under the provisions of the Electricity Act. The matter is currently pending.

3. Our Subsidiary, AEML entered into a power purchase agreement ("**PPA**") on August 14, 2013 with Vidarbha Industries Power Limited ("**VIPL**"). Axis Bank Limited was the lead bank of the consortium of lenders of VIPL. On December 16, 2019, VIPL filed a petition against AEML, before the Maharashtra Electricity Regulatory Commission, Mumbai ("**MERC**") for, *inter alia,* setting aside the termination letter dated April 20, 2019 issued by AEML to VIPL ("**Termination Notice**") and declaring that the PPA entered into between AEML and VIPL is valid and subsisting. MERC disallowed, *inter alia,* the plea of VIPL that the actions of AEML for terminating the PPA were illegal and further held that the Termination Notice is valid ("**MERC Order**"). Aggrieved by the MERC Order, VIPL filed an appeal before the Appellate Tribunal for Electricity, New Delhi ("**APTEL**") under Section 111 of the Electricity Act. APTEL decided in favour of MERC in relation to certain issues, *inter alia,* upholding the validity of the Termination Notice ("**Impugned Order**"). Thereafter, aggrieved by the Impugned Order, VIPL and Axis Bank filed separate appeals before the Supreme Court of India under Section 125 of the Electricity Act. The matter is currently pending.

4. Our Company had entered into a share purchase agreement dated December 21, 2017, with Reliance Infrastructure Limited ("**RIL**") and its erstwhile subsidiary Reliance Electric Generation and Supply Limited ("**REGSL**") (the "**SPA**"). Pursuant to the SPA, RIL transferred 100% of its shareholding in REGSL to our Company. Consequently, RESGL became a subsidiary of our Company and its name was changed to AEML. Subsequent to the SPA, disputes arose between our Company and RIL in relation to the income tax payable on approved regulatory assets and RIL claimed that it was entitled to a payment of approximately ₹13,392.23 crore, along with an interest of 12% per annum till the date of realisation, towards, *inter alia*, tax component of approved regulatory asset, tax deducted at source, past dues from customers collected, amounts adjusted in the adjusted sale shares consideration towards the payments to be made to vendors and third parties and rights relating to floor space index greater than 1 on certain plots of land, from AEML and our Company. For further details, please see " – *Litigation involving our Company – Civil matters against our Company*" on page 233.

Civil matters by our Material Subsidiaries

AEML

1. Our Subsidiary, AEML filed a writ petition before the High Court of Bombay challenging an order passed by the Tahsildar, Dahanu, Palghar, Maharashtra ("**Tahsildar**") through which the Tahsildar had demanded an amount aggregating to approximately ₹72.88 crore from AEML. The aforementioned amount was demanded by the Tahsildar from AEML as it is alleged that AEML has violated the terms of the agreement and government order through which AEML was allotted land in Dahanu to develop a power plant. The matter is currently pending.

2. Our Subsidiary, AEML, filed a petition before the Maharashtra Electricity Regulatory Commission, Mumbai ("**MERC**") for truing up for Fiscal 2009 and determination of tariff for Fiscal 2011 in the year 2009. MERC disallowed certain costs incurred by AEML in the calculation of the tariff amount ("**Tariff Order**"). Aggrieved by the Tariff Order, AEML filed an appeal before the Appellate Tribunal for Electricity, New Delhi ("**APTEL**") under Section 111 of the Electricity Act, wherein APTEL overturned the Tariff Order in AEML's favour ("**Impugned Order**"). Thereafter, aggrieved by the Impugned Order, MERC filed an appeal against the Impugned Order before the Supreme Court of India under Section 125 of the Electricity Act. The matter is currently pending.

3. Our Subsidiary, AEML filed petitions before the Maharashtra Electricity Regulatory Commission, Mumbai ("**MERC**") for final truing up for Fiscal 2010 and annual performance review for Fiscal 2011 in the year 2011. MERC disallowed, *inter alia*, certain costs claimed by AEML including power purchase costs and surplus solar costs ("**Tariff Orders**"). Aggrieved by the Tariff Orders, AEML filed an appeal before the Appellate Tribunal for Electricity, New Delhi ("**APTEL**") under Section 111 of the Electricity Act. APTEL decided in favour of MERC in relation to certain issues, *inter alia*, disallowance of power purchase cost ("**Impugned Order**"). Thereafter, aggrieved by the Impugned Order, AEML filed an appeal before the Supreme Court of India under Section 125 of the Electricity Act. The matters are currently pending.

4. Our Subsidiary, AEML, filed a petition before the Maharashtra Electricity Regulatory Commission, Mumbai ("**MERC**") for truing up for Fiscal 2013 and 2014, annual performance review of Fiscal 2015 and approval of aggregate revenue requirement and tariff for Fiscal 2016. MERC disallowed, *inter alia,* certain costs claimed by AEML including carrying cost on income tax and compounded interest, and power purchase cost ("**Tariff Order**"). Thereafter, aggrieved by the Tariff Order, AEML filed appeals before the Appellate Tribunal for Electricity, New Delhi under Section 111 of the Electricity Act. The matters are currently pending.

5. Our Subsidiary, AEML filed a petition before the Maharashtra Electricity Regulatory Commission, Mumbai ("**MERC**") for truing up of annual revenue requirement for Fiscal 2015, provisional truing up of annual revenue requirement for Fiscal 2016 and approval of annual revenue requirement and tariff for the multi-year tariff third control period from Fiscal 2017 to Fiscal 2020. MERC disallowed, *inter alia,* rates claimed by AEML in respect of the solar power purchase in excess of the renewal purchase obligations of AEML, operation and maintenance expenses in respect of the wage agreements for Fiscal 2015 and carrying cost on the excess rent reversal of the old corporate office located in Santacruz Land ("**Tariff Order**"). Thereafter, aggrieved by the Tariff Order, AEML filed an appeal before the Appellate Tribunal for Electricity, New Delhi under Section 111 of the Electricity Act. The matter is currently pending.

6. Our Subsidiary, AEML filed a petition before the Maharashtra Electricity Regulatory Commission, Mumbai ("**MERC**") for approval of the multi-year tariff midterm review petition for third control period including truing up of annual review performance for Fiscal 2016 and Fiscal 2017, provisional truing up of Fiscal 2018 and approval of revised annual review performance for Fiscal 2019 and Fiscal 2020. MERC disallowed, *inter alia*¸ depreciation relating to consumer contribution from Fiscal 2013 to Fiscal 2016 and rates of power purchase by AEML from Dhursar Solar Power Private Limited ("**Tariff Order**"). Thereafter, aggrieved by the Tariff Order, AEML filed an appeal before the Appellate Tribunal for Electricity, New Delhi under Section 111 of the Electricity Act. The matter is currently pending.

7. Our Subsidiary, AEML filed two petitions before the Maharashtra Electricity Regulatory Commission, Mumbai ("**MERC**") for truing up of aggregate revenue requirement of Fiscal 2018 and Fiscal 2019, provisional truing up of Fiscal 2020 and for determination of aggregate revenue requirement for fourth control period from Fiscal 2021 to Fiscal 2025. MERC disallowed, *inter alia,* carrying cost on fuel adjustment clauses for Fiscal 2018, Fiscal 2019 and for six months of Fiscal 2020 and impact of GST on operation and maintenance expenses from Fiscal 2018 onwards ("**Tariff Orders**"). Pursuant to the petitions, AEML filed two review petitions before the MERC seeking review of certain aspects of the Tariff Orders. MERC passed review orders of each of the review petitions, respectively, wherein the relief sought by AEML was partially allowed ("**Review Orders**"). Thereafter, aggrieved by the Tariff Orders and the Review Orders, AEML filed two appeals before the Appellate Tribunal for Electricity, New Delhi under Section 111 of the Electricity Act. The matters are currently pending.

8. Our Subsidiary, AEML filed two petitions before the Maharashtra Electricity Regulatory Commission, Mumbai ("**MERC**") for truing up of aggregate revenue requirement for Fiscal 2020 to Fiscal 2022, provisional truing up of aggregate revenue requirement for Fiscal 2023 and for approval of revised aggregate revenue requirement for Fiscal 2024 and Fiscal 2025. MERC disallowed, *inter alia,* a portion of the corporate expenses for Fiscal 2020 and Fiscal 2022 and impact of GST in operation and maintenance expenses for Fiscal 2020, Fiscal 2021 and Fiscal 2022 ("**Tariff Orders**"). Thereafter, aggrieved by the Tariff Orders, AEML filed appeals against the Tariff Orders, before the Appellate Tribunal for Electricity, New Delhi under Section 111 of the Electricity Act. The matters are currently pending.

ATIL

1. Our Subsidiary, ATIL, had filed a petition before the CERC for truing-up of transmission tariff for the period from Fiscal 2015 to Fiscal 2019 and determination of transmission tariff for the period from Fiscal 2020 to Fiscal 2024. CERC made a final determination on the amount of transmission tariff ("**Tariff Order**") but disallowed certain operating and capital costs incurred by ATIL in the calculation of the tariff amount. Aggrieved by the Tariff Order, ATIL filed an appeal before the Appellate Tribunal for Electricity, New Delhi ("**APTEL**") under Section 111 of the Electricity Act. The matter is currently pending.

2. Our Subsidiary, ATIL, had filed a petition against the Power Grid Corporation of India Limited ("**Respondent**") before the CERC under Section 79 of the Electricity Act for determining the capital cost and transmission tariff for Fiscal 2022 to 2024 pertaining to the transmission system located at Mohindergarh, Haryana. CERC partly allowed the petition by allowing the capital cost and disallowing the weightage average rate of interest as inter-company deposit ("**Order**"). Thereafter, aggrieved by the Order, ATIL filed an appeal before the Appellate Tribunal for Electricity, New Delhi ("**APTEL**") under Section 111 of the Electricity Act, 2003. The matter is currently pending.

3. Our Subsidiary, ATIL, had filed a petition before the CERC for determination of transmission tariff for the 500 kilo watt Mundra-Mohindergarh high voltage direct current transmission line and the 400 kilo watt direct current Mundra-Dehgam transmission line. CERC, *inter alia,* clipped the excess capital cost of the sub-stations of ATIL and reduced loan outstanding by cumulative depreciation of the transmission assets till the date of commencement of the tariff ("**Tariff Order**"). Aggrieved by the Tariff Order, ATIL filed an appeal before the Appellate Tribunal for Electricity, New Delhi ("**APTEL**") under Section 111 of the Electricity Act. APTEL disallowed, *inter alia,* capital cost reduction for the alternating current substation portion of the licensed asset and reduction of loan outstanding by cumulative depreciation till the date of the grant of the license ("**Impugned Order**"). Thereafter, aggrieved by the Impugned Order, ATIL filed a review petition before the APTEL under Section 120 (2) (f) of the Electricity Act and a civil appeal under Section 125 of the Electricity Act before the Supreme Court of India for review of the impugned order. The matters are currently pending.

MEGPTCL

1. Our Subsidiary, MEGPTCL, had filed a petition before the MERC for determination of transmission tariff. MERC made a final determination on the amount of transmission tariff ("**Tariff Order**") but disallowed various components of tariff which led to reduction in the aggregate revenue requirement claimed by MEGPTCL. The Tariff Order resulted in total financial impact of ₹1074.97 crore on MEGPTCL. Aggrieved by the Tariff Order, MEGPTCL filed an appeal before the Appellate Tribunal for Electricity, New Delhi, under Section 111 of the Electricity Act. The Tariff Order was set aside by APTEL and remanded back to MERC for passing of a consequential order ("**APTEL Order**"). In lieu of the APTEL Order, MERC took *suo moto* cognizance of the matter and impleaded the Maharashtra State Electricity Distribution Company Limited ("**MSEDCL**") as well. MERC passed its order in terms of the directions given by APTEL through the APTEL Order and permitted MEGPTCL to recover dues from MSEDCL ("**MERC Order**"). Thereafter, aggrieved by the MERC Order, MSEDCL filed an appeal before APTEL and impleaded MEGPTCL as a respondent as well. The matter is currently pending.

2. Our Subsidiary, MEGPTCL, had filed a petition before MERC for determination of transmission tariff. MERC made a final determination on the amount of transmission tariff ("**Tariff Order**") but disallowed certain the components of tariff such as operation and maintenance expenses, interest on long-term loan and interest on working capital. Thereafter, aggrieved by the Tariff Order, MEGPTCL filed an appeal before APTEL under Section 111 of the Electricity Act. The matter is currently pending.

Outstanding actions by statutory or regulatory authorities against our Material Subsidiaries

Nil

Litigation involving our Directors

Criminal litigation involving our Directors

Criminal litigation filed against our Directors

1. The Serious Fraud Investigation Office ("**SFIO**") filed a criminal complaint ("**Complaint**") before the Court of Chief Metropolitan Magistrate, Mumbai against Adani Enterprises Limited, our directors, namely, Gautam S. Adani and Rajesh S. Adani ("**Directors**") (in their capacity as directors of Adani Enterprises Limited), and others on April 26, 2012, for alleged commission of offenses of, amongst other things, cheating, and criminal conspiracy to cheat under Section 420, read with Section 120(B) of the IPC. The Complaint alleged that Adani Enterprises Limited and its subsidiaries had granted loans and advances to certain entities which manipulated the share price of Adani Enterprises Limited, amongst other

things. Our Directors filed discharge applications dated March 7, 2014 (“**Applications**”) before the Magistrate Court. Thereafter, the Magistrate Court by way of its order dated May 9, 2014 allowed the Applications filed by our Directors (“**Magistrate Court’s Order**”). Subsequently, the SFIO challenged the Magistrate Court’s Order, by way of a criminal revision application dated November 23, 2015 (“**Revision Application**”) before the Court of Sessions for Greater Mumbai, Mumbai (“**Sessions Court**”). The Sessions Court, by way of its order dated November 1, 2019, amongst other things, allowed the Revision Application and set aside the Magistrate Court’s Order (“**Session Court’s Order**”). Our Directors have challenged the Session Court’s Order before the High Court of Bombay (“**High Court**”), by way of a writ petition dated December 12, 2019. The High Court, by way its order dated December 20, 2019 has granted an ad interim stay against the Session Court’s Order. The matter is currently pending.

Criminal litigation filed by our Directors

NIL

Outstanding actions by statutory or regulatory authorities against our Directors

1. The Special Director, Enforcement Directorate (“**ED**”) issued a show cause notice dated September 16, 2008 to our Promoters and directors, namely, Gautam S. Adani and Rajesh S. Adani (in their capacity as directors of Adani Enterprises Limited (“**AEL**”)) (“**Respondents**”) in relation to a complaint filed before it by the Assistant Director, Enforcement Directorate for contravention of certain provisions of Section 6(3)(a) of the Foreign Exchange Management Act, 1999 on account of setting up a wholly-owned subsidiary and in relation to proceeds from the liquidation of a step-down subsidiary. Thereafter, the Special Director of Enforcement, Ministry of Finance on May 11, 2008 passed an order (“**ED Order**”) imposing a consolidated penalty of ₹4 crore on AEL and a penalty of ₹1 crore on one of our Directors, Rajesh S. Adani and a consolidated penalty of ₹0.1 crore on AEL and ₹0.03 crore on Rajesh S. Adani in relation to the accrual of proceeds of the liquidation of a step-down subsidiary of AEL. Rajesh S. Adani filed an appeal dated July 2, 2009 before the Appellate Tribunal for Foreign Exchange (“**ATFE**”) praying, amongst other things, to set aside the ED Order. The ATFE by way of an order dated October 26, 2009 (“**ATFE Order No. 1**”) quashed the ED Order. The Union of India (through the Director, Enforcement Directorate) filed an appeal before the High Court of Bombay (“**High Court**”) challenging the ATFE Order No. 1. Thereafter, the High Court by an order dated December 9, 2011 set aside the ATFE Order No. 1 and remitted the proceedings back to the ATFE. The ATFE passed an order dated July 3, 2018 (“**ATFE Order No. 2**”) upholding the penalties imposed by the ED Order. AEL and Rajesh S. Adani filed an appeal before the High Court of Gujarat to set aside the ATFE Order No. 2. The High Court of Gujarat has, by way of its interim orders dated December 12, 2018 and December 27, 2018, stayed the implementation of ATFE Order No. 2. Thereafter, the High Court of Gujarat passed an order dated July 8, 2021 whereby the above interim orders were made absolute till the disposal of the appeals. The matter is currently pending.

Inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company and its Subsidiaries, and prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document for our Company and its Subsidiaries

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, and prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document for our Company and its Subsidiaries.

Material frauds committed against our Company in the last three years immediately preceding the year of this Preliminary Placement Document and actions taken by our Company

There are no material frauds that have been committed against our Company in the last three years immediately preceding the year of this Preliminary Placement Document.

Significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations

There are no significant and material orders that have been passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.

Defaults by our Company in repayment of statutory dues, dues payable to holders of any debentures and interest thereon, dues payable in respect of deposits and interests thereon, or in repayment of any loan obtained from any bank or financial institution and interest thereon

As on the date of this Preliminary Placement Document, our Company has no outstanding defaults in relation to repayment of statutory dues, dues payable to holders of any debentures and interest thereon, or in respect of deposits and interest thereon, or in repayment of loans obtained from any bank or financial institution and interest thereon.

Defaults in the annual filings of our Company under the Companies Act, 2013

As on the date of this Preliminary Placement Document, our Company has not defaulted in annual filings under the Companies Act.

Litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last three years immediately preceding the year of this Preliminary Placement Document and directions issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action

Except as disclosed below, there has been no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last three years immediately preceding the year of this Preliminary Placement Document.

1. In the year 2003-2004, the Government of India announced a scheme 'Duty Free Credit Entitlement Scheme' ("**DFCE**") for duty-free import ("**Scheme**"). Under the provisions of the aforesaid Scheme, Adani Enterprises Limited ("**AEL**") applied for the benefits of the Scheme and was issued 21 DFCE scrips amounting to ₹211.61 crore by the Director General of Foreign Trade, for incremental exports in the year 2003-2004. Subsequently, the Directorate of Revenue Intelligence, Ahmedabad ("**DRI**") issued a show cause notice dated December 19, 2012 ("**SCN**") alleging that AEL had counted the goods manufactured in the bonded warehouse towards completion of incremental exports under the Scheme and re-exported the imported cut and polished diamonds which was in violation of the Export and Import Policy. Meanwhile, the DRI also reported to the office of Directorate General of Foreign Trade, Ahmedabad alleging that AEL had fraudulently obtained 21 DFCE scrips amounting to ₹211.61 crore. Accordingly, the Office of the Assistant Directorate General of Foreign Trade, Ahmedabad ("**Assistant DGFT**") issued a show cause notice dated February 25, 2013 to AEL directing AEL to submit response as to why, amongst other things, (i) 21 DFCE scrips issued to AEL should not be cancelled; and (ii) the licenses and authorization issued to AEL should not be revoked. Subsequently, the Office of the Joint Directorate General of Foreign Trade, Ahmedabad ("**Joint DGFT**") by way of an order dated October 30, 2013 quashed the show cause notice issued by the Assistant DGFT. Thereafter, the Commissioner of Customs, Ahmedabad ("**CoC**") requested the Director General of Foreign Trade, to review the validity of the order passed by the Joint DGFT. Accordingly, the Directorate General of Foreign Trade, *vide* order dated August 24, 2015 set aside the order passed by the Joint DGFT and directed the Additional Directorate General of Foreign Trade, Mumbai to adjudicate the matter. The Office of the Additional Directorate General of Foreign Trade, Ahmedabad in remand proceedings has issued a show cause notice dated October 8, 2021 against AEL and our Directors, namely, Gautam S. Adani and Rajesh S. Adani. Subsequently, the Office of the Additional Director General of Foreign Trade, Ahmedabad *vide* order dated July 26, 2023 dropped the show cause notice dated October 8, 2021.

2. The Special Director, Enforcement Directorate ("**ED**") issued a show cause notice dated September 16, 2008 to our Promoters and directors, namely, Gautam S. Adani and Rajesh S. Adani (in their capacity as directors of Adani Enterprises Limited ("**AEL**")) ("**Respondents**") in relation to a complaint filed before it by the Assistant Director, Enforcement Directorate for contravention of certain provisions of Section 6(3)(a) of the Foreign Exchange Management Act, 1999 on account of setting up a wholly-owned subsidiary and in relation to proceeds from the liquidation of a step-down subsidiary. For further details, please see " – *Litigation involving our Directors – Outstanding actions by statutory or regulatory authorities against our Directors*" on page 238.

INDEPENDENT AUDITORS

Our Company's current Statutory Auditors, Walker Chandiok & Co LLP, Chartered Accountants, are independent auditors with respect to our Company as required by the Companies Act, 2013 and in accordance with the guidelines prescribed by ICAI and have been appointed as the statutory auditors of our Company, pursuant to the approval of the shareholders of our Company at the AGM held on July 19, 2023.

Our Statutory Auditors have reviewed the Consolidated Unaudited Quarterly Financial Results and audited the Fiscal 2024 Audited Consolidated Financial Statements and our Previous Statutory Auditors have audited the Fiscal 2023 Audited Consolidated Financial Statements and Fiscal 2022 Audited Consolidated Financial Statements, included in this Preliminary Placement Document.

The peer review certificate of our current Statutory Auditors, Walker Chandiok & Co LLP, Chartered Accountants is valid till May 31, 2025.

GENERAL INFORMATION

- Our Company was incorporated on December 9, 2013, as a public limited company under the Companies Act, 1956 as amended pursuant to a certificate of incorporation issued by the RoC. Our Company received the certificate of commencement of business from the RoC on December 17, 2013. Pursuant to the approval accorded by our Shareholders on July 19, 2023, the name of our Company was changed to "Adani Energy Solutions Limited" and a fresh certificate of incorporation consequent upon change of name was issued to our Company by the RoC on July 19, 2023.

- Our Registered and Corporate Office is located at Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad 382 421, Gujarat, India.

- The CIN of our Company is L40300GJ2013PLC077803.

- The Equity Shares are listed on BSE and NSE.

- The Issue was authorised and approved by our Board pursuant to a resolution dated May 27, 2024 and by the shareholders of our Company pursuant to a special resolution dated June 25, 2024.

- Our Company has received in-principle approvals under Regulation 28(1) of the SEBI Listing Regulations to list the Equity Shares to be issued pursuant to the Issue, on BSE and NSE, each dated July 30, 2024.

- Copies of our Memorandum of Association and Articles of Association will be available for inspection between 10:00 am to 5:00 pm on any weekday (except Saturdays and public holidays) at our Registered and Corporate Office.

- Our Company has obtained all necessary consents, approvals and authorisations as may be required in connection with the Issue.

- There has been no material change in the financial or trading position of our Company since June 30, 2024, the date of the Consolidated Unaudited Quarterly Financial Results prepared in accordance with applicable accounting standards included in this Preliminary Placement Document, except as disclosed herein.

- Except as disclosed in this Preliminary Placement Document, there are no litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For further details, see "*Legal Proceedings*" on page 232.

- In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CARE Ratings Limited as the Monitoring Agency, for monitoring the utilisation of the proceeds in relation to the Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

- The Floor Price is ₹1,027.1125 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with Regulation 176(1) of the SEBI ICDR Regulations.

- Jaladhi Atulchandra Shukla is the Company Secretary and Compliance Officer of our Company. His details are as follows:

  Jaladhi Atulchandra Shukla
  Adani Energy Solutions Limited (*formerly known as Adani Transmission Limited*)
  Adani Corporate House
  Shantigram, Near Vaishno Devi Circle
  S. G. Highway, Khodiyar
  Ahmedabad 382 421
  Gujarat, India
  Tel: +91 (079) 2555 5366
  E-mail: Jaladhi.Shukla@adani.com

- Our Company and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including our website, would be doing it at his or her own risk.

FINANCIAL INFORMATION

Walker Chandiok & Co LLP

RE 11, 1st Floor,
Near Vikramnagar, Iscon, Ambli Road, Ambli,
Ahmedabad - 380 058
Gujarat, India

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of the Company pursuant to the Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Adani Energy Solutions Limited (formerly known as Adani Transmission Limited)

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Adani Energy Solutions Limited (formerly known as Adani Transmission Limited) ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), (refer Annexure 1 for the list of subsidiaries included in the Statement) for the quarter ended 30 June 2024, being submitted by the Holding Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').

2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the Listing Regulation, to the extent applicable.

4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the other auditors referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We did not review the interim financial results of 56 subsidiaries included in the Statement, whose financial information reflects total revenues of Rs. 1,636.78 crores, total net profit after tax of Rs. 129.19 crores and total comprehensive income of Rs. 143.16 crores, for the quarter ended on 30 June 2024, as considered in the Statement. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

   Our conclusion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

6. The Statement includes the interim financial results of 3 subsidiaries, which have not been reviewed/audited by their auditors, whose interim financial results reflect total revenues of Rs. 35.60 crores, total net profit after tax of Rs. 5.60 crores and total comprehensive income of Rs. 5.60 crores for the quarter ended 30 June 2024 as considered in the Statement. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, are based solely on such unaudited/unreviewed interim financial results. According to the information and explanations given to us by the management, these interim financial results are not material to the Group.

   Our conclusion is not modified in respect of this matter with respect to our reliance on the financial results certified by the Board of Directors.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Neeraj Goel
Partner
Membership No. 99514
UDIN: 24099514BKCMXR5651

Place: Ahmedabad
Date: 25 July 2024

Annexure 1 to the Independent Auditor's review report

S. no.	Name of entities
A	**Holding Company**
1	Adani Energy Solutions Limited (formerly known as Adani Transmission Limited)
B	**Subsidiaries**
1	Maharashtra Eastern Grid Power Transmission Company Limited (step-down subsidiary)
2	Adani Transmission (India) Limited (step-down subsidiary)
3	Sipat Transmission Limited
4	Raipur-Rajnandgaon-Warora Transmission Limited
5	Chhattisgarh-WR Transmission Limited
6	Adani Transmission (Rajasthan) Limited
7	North Karanpura Transco Limited
8	Maru Transmission Service Company Limited
9	Aravali Transmission Service Company Limited
10	Fatehgarh-Bhadla Transmission Limited
11	Ghatampur Transmission Limited
12	Hadoti Power Transmission Service Limited
13	Barmer Power Transmission Service Limited
14	Thar Power Transmission Service Limited
15	Western Transco Power Limited
16	Western Transmission (Gujarat) Limited
17	Obra-C Badaun Transmission Limited
18	Adani Transmission Bikaner Sikar Limited (formerly known as Adani Transmission Bikaner Sikar Private Limited)
19	Bikaner-Khetri Transmission Limited
20	WRSS XXI (A)Transco Limited
21	Lakadia Banaskantha Transco Limited
22	Jam Khambaliya Transco Limited
23	Arasan Infra Limited (formerly known as Arasan Infra Private Limited)
24	Sunrays Infra Space Limited (formerly known as Sunrays Infra Space Private Limited)
25	Kharghar Vikhroli Transmission Limited
26	Alipurduar Transmission Limited
27	Adani Transmission Step-One Limited
28	Warora Kurnool Transmission Limited
29	MP Power Transmission Package-II Limited
30	ATL HVDC Limited
31	MPSEZ Utilities Limited
32	Karur Transmission Limited

S. no.	Name of entities
33	Khavda-Bhuj Transmission Limited
34	Power Distribution Services Limited
35	Adani Electricity Mumbai Limited
36	Adani Electricity Navi Mumbai Limited (formerly known as AEML Infrastructure Limited)
37	Adani Electricity Mumbai Infra Limited (Step-down subsidiary)
38	AEML Seepz Limited (Step-down subsidiary)
39	Adani Electricity Jewar Limited
40	Adani Transmission Mahan Limited (Step-down subsidiary)
41	Adani Transmission Step-Two Limited
42	BEST Smart Metering Limited
43	Adani Cooling Solutions Limited
44	WRSR Power Transmission Limited
45	Adani Transmission Step-Three Limited
46	Adani Transmission Step-Four Limited
47	Adani Transmission Step-Five Limited
48	Adani Transmission Step-Six Limited
49	Adani Transmission Step-Seven Limited
50	Adani Transmission Step-Eight Limited
51	NE Smart Meteering Limited (formerly Adani Transmission Step Nine Limited)
52	Adani Electricity Aurangabad Limited
53	Adani Electricity Nashik Limited
54	Khavda II-A Transmission Limited
55	Adani Green Energy Thirty Limited (Step-down subsidiary)
56	KPS 1 Transmission Limited
57	Halvad Transmission Limited
58	Sangod Transmission Service Limited
59	Sunrays Infra Space Two Limited
60	Arasan Infra Two Limited
61	Adani Energy Solutions Step-Twelve Limited
62	Adani Energy Solutions Step-Thirteen Limited
63	Essar Transco Limited (w.e.f. May 15, 2024) (Step-down subsidiary)
64	Pointleap Projects Private Limited (w.e.f. May 3, 2024) (Step-down subsidiary)
65	Gopalaya Build Estate Private Limited (w.e.f. June 11, 2024) (Step-down subsidiary)
C	**Partnership Firm**
1	Adani-LCC JV

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Website : www.adanienergysolutions.com

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2024

(` in Crores)

Sr. No.	Particulars	Consolidated			
		Quarter Ended			Year Ended
		30-Jun-24	31-Mar-24	30-Jun-23	31-Mar-24
		(Unaudited)	(Unaudited) Refer Note 6	(Unaudited)	(Audited)
1	**Income**				
	(a) Revenue from operations	5,378.55	4,706.85	3,663.91	16,607.36
	(b) Other Income	111.42	148.33	108.34	610.95
	Total Income	**5,489.97**	**4,855.18**	**3,772.25**	**17,218.31**
2	**Expenses**				
	(a) Cost of Power Purchased	1,346.15	1,024.69	1,154.87	4,340.30
	(b) Cost of Fuel	291.92	243.41	304.82	1,119.09
	(c) Purchases of Stock-in-Trade	165.87	114.71	0.01	1,028.95
	(d) Employee benefits expense	276.17	179.44	242.80	951.70
	(e) Finance costs	810.93	749.99	615.67	2,766.51
	(f) Depreciation and amortisation expense	497.85	467.51	418.88	1,776.08
	(g) Other expenses	1,054.11	1,579.08	387.64	2,996.11
	Total Expenses	**4,443.00**	**4,358.83**	**3,124.69**	**14,978.74**
3	**Profit Before Rate Regulated Activities, Exceptional items, Tax and Deferred Assets recoverable/adjustable for the period / year (1-2)**	**1,046.97**	**496.35**	**647.56**	**2,239.57**
4	Net movement in Regulatory Deferral Account Balances - Income/(Expenses)	(593.65)	55.60	(304.47)	(460.01)
5	**Profit Before Exceptional items, Tax and Deferred Assets recoverable/adjustable for the period / year (3+4)**	**453.32**	**551.95**	**343.09**	**1,779.56**
6	Exceptional Items (refer note 3)	(1,506.02)	-	-	-
7	**Profit Before Tax and deferred assets recoverable/adjustable for the period / year (5+6)**	**(1,052.70)**	**551.95**	**343.09**	**1,779.56**
8	**Tax expense**				
	Current Tax	43.12	67.57	112.87	298.60
	Deferred Tax	93.45	101.02	47.59	281.53
	Total Tax expense	**136.57**	**168.59**	**160.46**	**580.13**
9	**Profit After Tax for the period / year but before Deferred Assets recoverable/adjustable (7-8)**	**(1,189.27)**	**383.36**	**182.63**	**1,199.43**
10	Deferred assets recoverable/adjustable	(1.39)	(2.07)	(0.65)	(3.82)
11	**Profit After Tax for the period / year (9+10)**	**(1,190.66)**	**381.29**	**181.98**	**1,195.61**
12	**Other Comprehensive Income / (Loss)**				
	(a) Items that will not be reclassified to profit or loss				
	- Remeasurement gain / (loss) of Defined Benefit Plan	(2.96)	8.78	0.04	(14.76)
	- Movement in Regulatory Deferral Balance	2.78	(1.19)	-	13.99
	(b) Tax relating to items that will not be reclassified to Profit or Loss	0.03	(0.98)	(0.00)	0.01
	(c) Items that will be reclassified to profit or loss	94.59	(193.03)	(472.44)	(375.33)
	(d) Tax relating to items that will be reclassified to Profit or Loss	(21.86)	46.13	101.35	93.62
	Other Comprehensive Income / (Loss) (net of tax)	**72.58**	**(140.29)**	**(371.05)**	**(282.47)**
13	**Total Comprehensive Income for the period / year (11+12)**	**(1,118.08)**	**241.00**	**(189.07)**	**913.14**
14	**Profit / (Loss) attributable to :**				
	Owners of the Company	(823.92)	361.44	175.06	1,137.28
	Non - Controlling Interest	(366.74)	19.85	6.92	58.33
		(1,190.66)	**381.29**	**181.98**	**1,195.61**
15	**Other Comprehensive Income / (Loss) attributable to :**				
	Owners of the Company	64.64	(124.01)	(330.94)	(246.65)
	Non - Controlling Interest	7.94	(16.28)	(40.11)	(35.82)
		72.58	**(140.29)**	**(371.05)**	**(282.47)**
16	**Total Comprehensive Income / (Loss) attributable to :**				
	Owners of the Company	(759.28)	237.43	(155.88)	890.63
	Non - Controlling Interest	(358.80)	3.57	(33.19)	22.51
		(1,118.08)	**241.00**	**(189.07)**	**913.14**
17	Paid-up Equity Share Capital (Face Value of ` 10 each)	1,115.49	1,115.49	1,115.49	1,115.49
18	Reserves (excluding Revaluation Reserve)	10,767.28	11,526.06	10,478.29	11,526.06
19	Securities Premium Account	3,834.32	3,834.32	3,834.32	3,834.32
20	Net worth (as per section 2(57) of Companies Act 2013)	11,978.48	12,803.79	11,886.64	12,803.79
21	Paid up Debt Capital / Outstanding Debt (Total borrowings)	39,610.47	37,008.87	34,577.57	37,008.87
22	Outstanding Redeemable Preference Shares	-	-	-	-
23	Basic / Diluted Earnings per Equity Share (Face Value of ` 10 each) after net Movement in Regulatory Deferral Balance (not annualized except year end) (`)	(7.39)	3.24	1.57	10.20
24	Basic / Diluted Earnings per Equity Share (Face Value of ` 10 each) before net Movement in Regulatory Deferral Balance (not annualized except year end) (`)	(4.08)	2.94	3.34	12.87
25	Capital Redemption Reserve	2,436.53	2,436.53	2,436.53	2,436.53
26	Debenture redemption Reserve	24.13	24.39	24.80	24.39
27	Other Equity excluding Revaluation Reserves as at 31st March				11,526.06

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Website : www.adanienergysolutions.com

CONSOLIDATED SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES :

(` in Crores)

Sr. No.	Particulars	Consolidated			
		Quarter Ended			Year Ended
		30-Jun-24	31-Mar-24	30-Jun-23	31-Mar-24
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
i)	**Segment Revenue**				
	Transmission	1,761.85	1,906.06	926.19	5,114.14
	GTD Business	3,372.94	2,395.52	2,737.71	10,172.77
	Smart Metering	76.49	290.86	-	290.86
	Trading	167.27	114.41	0.01	1,029.59
	Gross Turnover	**5,378.55**	**4,706.85**	**3,663.91**	**16,607.36**
	Less: Inter Segment transfer	-	-	-	-
	Net Turnover	**5,378.55**	**4,706.85**	**3,663.91**	**16,607.36**
ii)	**Segment Results**				
	Profit before Interest and Tax				
	Transmission	806.23	798.71	597.63	2,731.51
	GTD Business	(1,182.11)	353.54	252.79	1,201.31
	Smart Metering	21.29	1.66	-	1.66
	Trading	1.40	(0.30)	-	0.64
	Total Segment Results	**(353.19)**	**1,153.61**	**850.42**	**3,935.12**
	Unallocable Income	111.42	148.33	108.34	610.95
	Total Profit Before Interest and Tax	**(241.77)**	**1,301.94**	**958.76**	**4,546.07**
	Less : Finance Cost	(810.93)	(749.99)	(615.67)	(2,766.51)
	Total Profit Before Tax	**(1,052.70)**	**551.95**	**343.09**	**1,779.56**
iii)	**Segment Assets**				
	Transmission	33,577.07	30,762.81	28,382.14	30,762.81
	GTD Business	18,763.68	20,359.16	20,119.20	20,359.16
	Smart Metering	564.14	349.86	-	349.86
	Trading	-	-	-	-
	Unallocable	7,574.04	7,106.98	5,615.01	7,106.98
	Total Assets	**60,478.93**	**58,578.81**	**54,116.35**	**58,578.81**
iv)	**Segment Liabilities**				
	Transmission	1,684.51	1,449.06	1,283.02	1,449.06
	GTD Business	4,138.06	4,146.03	3,722.17	4,146.03
	Smart Metering	257.65	241.51	-	241.51
	Trading	-	-	-	-
	Unallocable	41,813.67	39,039.08	36,510.21	39,039.08
	Total Liabilities	**47,893.89**	**44,875.68**	**41,515.40**	**44,875.68**

The reportable segments of the Group are providing transmission line for transmission of power (Transmission); Generation, Transmission and Distribution (GTD) of Power business for Mumbai city (Mumbai GTD Business) and Mundra distribution; supply, install and maintain of Smart Metering Project on Design-Build-Finance- Own-Operate-Transfer (DBFOOT) basis (Smart Metering) and trading activity of goods (Trading activity). The segments are largely organised and managed separately according to the organisation structure that is designed based on the nature of service. Operating segments are reported in a manner consistent with the internal reporting provided to the Chairman as well as Managing Director jointly regarded as the Chief Operating Decision Maker ("CODM").

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Additional Information pursuant to Regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015, as amended) for the quarter ended 30th June, 2024

Sr. No.	Particulars	Consolidated			
		Quarter Ended			Year Ended
		30-Jun-24 (Unaudited)	31-Mar-24 (Unaudited)	30-Jun-23 (Unaudited)	31-Mar-24 (Audited)
1	**Debt-Equity Ratio (in times)** (Total Borrowings / Total Equity)	3.15	2.70	2.74	2.70
2	**Debt Service Coverage Ratio (in times) excluding Group ICD** (Profit Before Tax and exceptional items + Depreciation & Amortization Expenses + Finance Costs#$ / Finance Costs#$ + Scheduled Repayments of Long Term Borrowings#@) # *Excluding Repayment of Group ICD and Interest on Group ICD* $ *Net off finance cost transferred to CWIP as per Ind AS 23.* @ *Scheduled repayments made during the year excludes prepayment of loans availed from Bank / Financial Institutions*	1.66	1.85	1.21	1.48
3	**Debt Service Coverage Ratio (in times)** (Profit Before Tax and exceptional items + Depreciation & Amortization Expenses + Finance Costs$ / Finance Costs$ + Scheduled Repayments of Long Term Borrowings@) $ *Net off finance cost transferred to CWIP as per Ind AS 23.* @ *Scheduled repayments made during the year excludes prepayment of loans availed from Bank / Financial Institutions*	1.47	1.12	1.19	1.22
4	**Interest Service Coverage Ratio (in times) excluding Group ICD** (Profit Before Tax and exceptional items + Finance Costs#$ / Finance Costs#$) # *Excluding Interest on Group ICD* $ *Net off finance cost transferred to CWIP as per Ind AS 23.*	1.58	1.74	1.56	1.66
5	**Interest Service Coverage Ratio (in times)** (Profit Before Tax and exceptional items + Finance Costs$ / Finance Costs$) $ *Net off finance cost transferred to CWIP as per Ind AS 23.*	1.56	1.74	1.56	1.64
6	**Current Ratio (in times)** (Current Assets / Current Liabilities)	1.29	1.11	1.08	1.11
7	**Long Term Debt to Working Capital (in times)** (Long Term Borrowings + Current Maturities of Long Term Borrowings / Current Assets - Current Liabilities excluding Current Maturities of Long Term Borrowings)	12.12	19.14	24.80	19.14
8	**Bad Debts to Account Receivable Ratio (in times)** (Total Bad Debt / Average Trade Receivables including unbilled revenue)	0.00	0.01	-	-
9	**Current Liability Ratio (in times)** (Current Liabilities / Total Liabilities)	0.16	0.18	0.17	0.18
10	**Total Debt to Total Assets (in times)** (Total Borrowings / Total Assets)	0.65	0.63	0.64	0.63
11	**Debtors Turnover (in times)** (Revenue from Operations excluding Construction Income relating to Service Concession Arrangements / Average Trade Receivables including unbilled Revenue)	4.42	4.09	3.52	3.95
12	**Inventory Turnover (in times)** (Net Sales / Average Inventory)	NA	NA	NA	NA
13	**Operating Margin (in %)** (EBIDTA excluding Other Income and exceptional items / Revenue from Operations)	30.69%	34.44%	34.64%	34.39%
14	**Net Profit Margin (in %)** (Net Profit after Tax / Total Income)	-21.69%	7.85%	4.82%	6.94%

Adani Energy Solutions Limited (Formerly Known as Adani Transmission Limited)
(CIN: L40300GJ2013PLC077803)
Registered Office: Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S.G. Highway, Khodiyar, Ahmedabad 382 421, Gujarat, India
Phone: 079-2555 7555 ; Fax: 079-2555 7177 ; Email: info@adani.com ;
Website: www.adanienergysolutions.com

1. The above consolidated financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of Adani Energy Solutions Limited (Formerly Known as Adani Transmission Limited) (the "Company" together with its subsidiaries, the "Group") at their meetings held on 25th July, 2024. The statutory auditors have carried out limited review of the financial results of the Group for the quarter ended on 30th June, 2024.

2. During the financial year 2022-23, a short seller report ("SSR") was published alleging certain issues against Adani group entities including the Company and its subsidiaries. On 3rd January 2024, the Hon'ble Supreme Court ("SC") disposed off all matters of appeal in various petitions including separate independent investigations relating to the allegation in SSR and stated that the Securities and Exchange Board of India ("SEBI") should complete the investigation on balance two pending matters and take investigations to their logical conclusion in accordance with law.

   Pursuant to the SC order, various legal and regulatory proceedings by the SEBI, legal opinions obtained, independent legal & accounting review undertaken by the Adani Group during the quarter which did not identify any non-compliances or irregularities by the Company and its subsidiaries and the fact that there is no pending regulatory or adjudication proceeding except matter related to Show Cause Notice (SCN) from the SEBI relating to validity of Peer Review Certificate (PRC) of one of the former statutory auditor in respect of an earlier period, the management of the Company concluded that there were no material consequences of the SSR and the Company and its subsidiaries continues to hold good its position as regards the compliance of applicable laws and regulations.

3. Adani Electricity Mumbai Limited (AEML), a subsidiary of the Company, is in the process to divest Dahanu Thermal Power Plant to honour its ESG Commitment. AEML in its meeting of Board of Directors concluded on 24th July, 2024 has approved the transaction for carving said power plant to one of the related party subject to requisite regulatory approval at the transaction price of ` 815.00 crores against the carrying value in books of ` 2,321.02 crores and hence ` 1,506.02 crores has been charged in the statement of profit and loss as exceptional item in accordance with Ind AS 105.

4. The Group has acquired the control of Adani Electricity Mumbai Limited ("AEML") w.e.f. 29th August, 2018, through its purchase from Reliance Infrastructure Limited ("R-Infra"), of the equity shares of AEML.

   On 21st August, 2022, R-Infra filed a Consolidated statement of arbitration claims under the Share Purchase Agreement. The Management of the Group believes that the said claims are not tenable. The Management, following the due process laid out under the Share Purchase Agreement for dispute resolution has responded against R-Infra in the arbitration proceedings. The Honourable Supreme Court, while hearing in respect of the issues between Vidarbha Industries Power Limited ("VIPL"), R-Infra and AEML have being appraised that both R-Infra and VIPL have raised similar issues before two forums i.e., before the Honourable Supreme Court and Arbitrator. Therefore, the Honourable Supreme Court, considering the above submission,

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passed a direction vide order dated 22nd November, 2022, to stay the Arbitration Proceedings in view of pendency of the present case.

5. The Company through its wholly owned subsidiary, Adani Transmission Step-Two Limited (ATSTL) acquired a 100% stake in Essar Transco Limited after obtaining requisite regulatory and other approvals for an enterprise value of ` 1,900.00 crores. The share acquisition is pursuant to definitive agreements signed in June, 2022. The acquisition covers fully operational 400 kV, 673 ckt kms inter-state transmission line linking Mahan in Madhya Pradesh to Sipat pooling substation in Chhattisgarh. The project operates under the Central Electricity Regulatory Commission (CERC) regulated return framework and was commissioned on 22nd September 2018. The management has classified the said acquisition as asset acquisition.

6. The figures of quarter ended 31st March, 2024 are the balancing figure between audited figures in respect of the full financial year up to 31st March, 2024 and unaudited published year-to-date figures up to 31st December, 2023, being the date of the end of third quarter of the financial year which was subject to limited review.

7. The date of implementation of the Code on Wages, 2019 and the Code on Social Security, 2020 is yet to be notified by the Government. The Group will assess the impact of these Codes and give effect in the financial results when the Rules/Schemes thereunder are notified.

For and on behalf of the Board

Date: 25th July, 2024 — **Gautam S. Adani**

Place: Ahmedabad — **Chairman**

Walker Chandiok & Co LLP
RE 11, 1st Floor,
Near Vikramnagar, Iscon, Ambli
Road, Ambli,
Ahmedabad - 380 058
Gujarat, India

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of the Company pursuant to the Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Adani Energy Solutions Limited (formerly Adani Transmission Limited)

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Adani Energy Solutions Limited (formerly Adani Transmission Limited) ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), (refer Annexure 1 for the list of subsidiaries included in the Statement) for the quarter ended 30 June 2023, being submitted by the Holding Company pursuant to the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').

2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 and Regulation 52 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the Listing Regulation, to the extent applicable.

4. As stated in Note 6 to the accompanying Statement, a Short Seller Report was published during the previous year raising allegations involving Adani Group Companies, including the Holding Company and other related parties. The management based on internal evaluations and consideration of a Memorandum prepared by an external law firm has represented that Group are compliant with the applicable laws and regulations and therefore, the aforesaid allegations do not warrant any adjustments to the accompanying Statement. Pending the results of the on-going investigations by Securities and Exchange Board of India and the completion of proceedings before the Hon'ble Supreme Court of India, we are unable to comment on the possible consequential adjustments and/or disclosures, if any, that may be required in the accompanying Statement in respect of the above matter. The opinion on the consolidated financial results for the year ended 31 March 2023 and conclusion on the consolidated financial results for the quarter ended 31 March 2023 issued by the predecessor auditor vide their report dated 29 May 2023 were also qualified in respect of the above matter.

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of other auditors referred to in paragraph 6 below, except for the possible effects of the matter described in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We did not review the interim financial results of 47 subsidiaries included in the Statement, whose financial information reflect total revenues of Rs. 632.85 crores, total net profit after tax of Rs. 92.97 crores and total comprehensive income of Rs. 15.53 crores, for the quarter ended on 30 June 2023, as considered in the Statement. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us by the management and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

   Our conclusion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

7. The Statement includes the interim financial results of 3 subsidiaries, which have not been reviewed/audited by their auditors, whose interim financial results reflect total revenues of Rs. nil, total net profit after tax of Rs. nil and total comprehensive income of Rs. nil for the quarter ended 30 June 2023 as considered in the Statement. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, are based solely on such unaudited/unreviewed interim financial results. According to the information and

explanations given to us by the management, these interim financial results are not material to the Group.

Our conclusion is not modified in respect of this matter with respect to our reliance on the financial results certified by the Board of Directors.

8. The review of unaudited consolidated quarterly financial results for the quarter ended 30 June 2022 and 31 March 2023 and audit of consolidated financial results for the year ended 31 March 2023 included in the Statement was carried out and reported by Deloitte Haskins and Sells LLP who have expressed unmodified conclusion vide their review report dated 3 August 2022, modified conclusion and modified opinion vide their report dated 29 May 2023 respectively, whose reports have been furnished to us and which have been relied upon by us for the purpose of our review of the Statement. Our conclusion is not modified in respect of this matter.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Neeraj Goel
Partner
Membership No. 99514
UDIN: 23099514BGSCOK7091

Place: Ahmedabad
Date: 31 July 2023

Annexure 1 to Independent Auditor's review report

S. no.	Name of entities
A	**Parent Company**
1	Adani Energy Solutions Limited (formerly Adani Transmission Limited)
B	**Subsidiaries**
1	Maharashtra Eastern Grid Power Transmission Company Limited (step-down subsidiary)
2	Adani Transmission (India) Limited (Step down subsidiary)
3	Sipat Transmission Limited
4	Raipur-Rajnandgaon-Warora Transmission Limited
5	Chhattisgarh-WR Transmission Limited
6	Adani Transmission (Rajasthan) Limited
7	North Karanpura Transco Limited
8	Maru Transmission Service Company Limited
9	Aravali Transmission Service Company Limited
10	Fatehgarh-Bhadla Transmission Limited
11	Ghatampur Transmission Limited
12	Hadoti Power Transmission Service Limited
13	Barmer Power Transmission Service Limited
14	Thar Power Transmission Service Limited
15	Western Transco Power Limited
16	Western Transmission (Gujarat) Limited
17	Obra-C Badaun Transmission Limited
18	Adani Transmission Bikaner Sikar Private Limited
19	Bikaner-Khetri Transmission Limited
20	WRSS XXI (A)Transco Limited
21	Lakadia Banaskantha Transco Limited
22	Jam Khambaliya Transco Limited
23	Arasan Infra Limited (formerly Arasan Infra Private Limited)
24	Sunrays Infra Space Limited (formerly Sunrays Infra Space Private Limited)
25	Kharghar Vikhroli Transmission Limited
26	Alipurduar Transmission Limited
27	Adani Transmission Step-One Limited

S. no.	Name of entities
28	Warora Kurnool Transmission Limited
29	MP Power Transmission Package-II Limited
30	ATL HVDC Limited
31	MPSEZ Utilities Limited
32	Karur Transmission Limited
33	Khavda-Bhuj Transmission Limited
34	Power Distribution Services Limited
35	Adani Electricity Mumbai Limited
36	Adani Electricity Navi Mumbai Limited (formerly AEML Infrastructure Limited)
37	Adani Electricity Mumbai Infra Limited (Step-down subsidiary)
38	AEML Seepz Limited (Step-down subsidiary)
39	Adani Electricity Jewar Limited (w.e.f. September 12, 2022)
40	Adani Transmission Mahan Limited (Step-down subsidiary) (w.e.f. September 05, 2022)
41	Adani Transmission Step-Two Limited (w.e.f. August 02, 2022)
42	BEST Smart Metering Limited (w.e.f. December 27, 2022)
43	Adani Cooling Solutions Limited (w.e.f. December 12, 2022)
44	WRSR Power Transmission Limited (w.e.f. January 17, 2023)
45	Adani Transmission Step-Three Limited (w.e.f. January 12, 2023)
46	Adani Transmission Step-Four Limited (w.e.f. January 12, 2023)
47	Adani Transmission Step-Five Limited (w.e.f. January 11, 2023)
48	Adani Transmission Step-Six Limited (w.e.f. January 13, 2023)
49	Adani Transmission Step-Seven Limited (w.e.f. January 12, 2023)
50	Adani Transmission Step-Eight Limited (w.e.f. January 12, 2023)
51	NE Smart Meteering Limited (formerly Adani Transmission Step Nine Limited (w.e.f. January 16,2023))
52	Adani Electricity Aurangabad Limited (w.e.f. March 15, 2023)
53	Adani Electricity Nashik Limited (w.e.f. March 16, 2023)
54	Khavda II-A Transmission Limited (w.e.f. March 28, 2023)
55	Adani Green Energy Thirty Limited (Step-down subsidiary) (w.e.f. March 31, 2023)
C	**Partnership Firm**
1	Adani-LLC JV

Independent Auditor's Report

To the Members of Adani Energy Solutions Limited (formerly known as Adani Transmission Limited)

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

1. We have audited the accompanying consolidated financial statements of Adani Energy Solutions Limited (formerly known as Adani Transmission Limited) ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure A, which comprise the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, 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 ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2024, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. As stated in note 64 to the accompanying consolidated financial statements, a Short Seller Report was published during the previous year in which certain allegations were made on certain Adani Group Companies, including the Holding Company and its subsidiaries. The management based on internal evaluation and an independent assessment from an external law firm has represented that the Holding Company and its subsidiaries are in compliance with the requirements of applicable laws and regulations and therefore these consolidated financial statements do not warrant any adjustment in this regard. However, pending adjudications / outcome of the investigations by the Securities and Exchange Board of India and based on our review of related documents, we are unable to comment on the possible adjustments and /or disclosures, if any, that may be required in the accompanying consolidated financial statements in respect of the above matter.

   The audit report dated 29 May 2023 issued by the predecessor auditor on the consolidated financial statements of the Group for the year ended 31 March 2023 was also qualified in respect of this matter.

4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16 of the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters

were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6. In addition to the matter described in the Basis for Qualified Opinion, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Accrual of regulatory deferral income / expense and corresponding assets / liability Refer note 3(o) in material accounting policy information and note 54 in notes forming part of consolidated financial statements. The Group recognises regulatory deferral income / expense and corresponding asset / liability basis its understanding and interpretation of regulatory provisions applicable to the distribution business of the Group as per the Electricity Act, 2003 and regulations framed thereunder by the respective State Electricity Regulatory Commission (the 'tariff regulations'), for the difference between entitled return as per tariff regulations (i.e., allowable cost plus return on equity) and revenue collected basis tariff rates approved by the regulator in provisional tariff orders, which are subject to true-ups in the future tariff orders. Significant judgments and assumptions including interpretation of the tariff regulations, past tariff orders, judicial pronouncements etc., are involved in recognition and assessment of recoverability of such regulatory deferral balances. The Group has recognised net regulatory deferral assets of Rs. 1,517.53 crores as at 31 March 2024 (including expense of Rs. 460.01 crores for the year recognised in statement of profit and loss and income of Rs. 13.71 crores recognised in other comprehensive income). Considering the materiality of the amounts involved, complexity and significant judgement and assumptions involved as mentioned above, accrual of regulatory deferral income / expense and corresponding assets / liability has been considered as key audit matter for the current year audit.	Our audit procedures in relation to accrual of regulatory deferral income / expense and corresponding assets / liability included but were not limited to the following: a. Obtained an understanding of the management process and evaluated the design and tested the operating effectiveness of key internal financial controls over accrual of regulatory deferrals; b. Evaluated the Group's accounting policies with respect to accrual for regulatory deferrals and assessed its compliance with the requirements of Ind AS 114 'Regulatory Deferral Accounts' c. Reviewed management's evaluation of recognition of regulatory deferral account balance including key assumptions and estimates used in such evaluation and corroborated them with the understanding obtained on prevailing tariff regulations, past tariff orders and underlying records and verified the arithmetical accuracy and reasonableness of such workings; and d. Evaluated the appropriateness and adequacy of the related disclosures in the consolidated financial statements in accordance with the applicable Indian Accounting Standards.
Impairment assessment of Transmission Cash Generating Unit (TCGU) Refer note 3(b) in material accounting policy information and note 55(i) in notes forming part of the consolidated financial statements. The Group's TCGU includes a transmission license having an indefinite life with a carrying value of Rs. 981.62 crores as at 31 March 2024. In accordance with the requirements of Ind AS	Our audit procedures in relation to impairment assessment of TCGU included but were not limited to the following: a. Obtained an understanding of the management's impairment assessment process and reviewed management's assessment of useful life of transmission license.

Key audit matter	How our audit addressed the key audit matter
36 'Impairment of Assets', the Group has performed an annual impairment test of aforesaid transmission license, by determining the recoverable value of the TCGU to which the transmission license pertains, using discounted cash flow method with the help of external valuation experts. The determination of the recoverable value of TCGU requires management to make significant estimates and assumptions in forecasting the future cash flow projections including projected capital expenditure which is subject to regulatory approvals, the estimated useful life of the transmission license and the discount rates. Considering the significance of the carrying amount of TCGU and auditing management judgements and estimates as mentioned above involves high degree of subjectivity and requires significant auditor judgement, impairment assessment of TCGU has been considered as a key audit matter for the current year audit.	b. Evaluated the design and tested the operating effectiveness of the key internal financial controls relating to the impairment assessment for TCGU; c. Assessed the professional competence and objectivity of the management's valuation expert and obtained their valuation report on determination of recoverable value of the TCGU; d. Traced the cash flow projections provided by management to approved business plans and tested the arithmetical accuracy of such projections; e. Involved auditor's experts to assist in evaluating the appropriateness of the valuation methodology and reasonableness of the assumptions used by the management's expert to calculate the recoverable value of TCGU; f. Performed sensitivity analysis on the key assumptions to determine estimation uncertainty involved and ascertain the sufficiency of headroom available; and g. Evaluated the appropriateness and adequacy of the disclosure made in the consolidated financial statements, in accordance with the applicable Indian Accounting Standards.
Valuation of derivative financial instruments and hedge accounting Refer note 3(e) and 48 for material accounting policy information and explanatory note, respectively, in relation to derivative financial instruments and hedge accounting. In line with Group's risk management policy, the Group had purchased various derivative financial instruments to hedge its foreign currency risks in relation to the long-term foreign currency debt. The Management has designated these derivative financial instruments and the aforesaid debt at initial recognition as cash flow hedge relationship as per Ind AS 109, Financial Instruments. The valuation of hedging instrument is complex and necessitates a sophisticated system to record and track each contract and calculate the related valuations at each financial reporting date. Such valuation of hedging instruments and assessment of	Our audit procedures in relation to valuation of derivative financial instruments and hedge accounting included, but were not limited to the following: a. Evaluated design and tested operating effectiveness of the key internal financial controls over the determination of a hedge, adequacy of hedge documentation, evaluation of the hedge effectiveness, valuation of derivative financial instruments and related hedge accounting; b. Obtained an understanding of management's process and the risk management policies of the Group in respect of derivative transactions; c. Engaged auditor's valuation experts to assist in evaluation of hedge effectiveness documentation and re-performing the year-end fair valuations of such derivative financial instruments; d. Verified the completeness of hedging contracts by tracing from independent

Key audit matter	How our audit addressed the key audit matter
hedge effectiveness involves significant assumptions and judgements such as discount rates, forward exchange rates and future interbank rates. In view of material impact on the Group's consolidated financial statements and significant assumptions, judgements and complexity involved as mentioned above, we have determined valuation of derivative financial instruments and hedge accounting as a key audit matter for the current year audit.	confirmations obtained from respective banks; e. Considered the consistent application of accounting policy in respect to derivative financial instruments and hedge accounting and ensured the same is in accordance with the requirements of Ind AS 109; and f. Evaluated the appropriateness and adequacy of the related disclosures in the consolidated financial statements in accordance with the applicable financial reporting framework.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

7. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Directors' report, but does not include the consolidated 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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the 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. As described in the Basis for Qualified Opinion section above, pending adjudications / outcome of the investigations by the Securities and Exchange Board of India, as described in note 64 to the consolidated financial statements, we are unable to comment on possible consequential adjustments and/or disclosures, if any, that may be required in the consolidated financial statements. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation 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 changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

10. Those respective Board of Directors and those charged with governance are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

11. 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 Standards on Auditing 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.

12. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act 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 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 with reference to financial statements 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 management;

    - Conclude on the appropriateness of Board of Directors' 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

    - 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 financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. 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.

14. 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.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

16. We did not audit the financial statements of 55 subsidiaries, whose financial statements reflect total assets of Rs. 26,935.37 crores as at 31 March 2024, total revenues of Rs. 4,011.22 crores and net cash inflows amounting to Rs. 349.58 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

17. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. nil as at 31 March 2024, total revenues of Rs. nil and net cash inflows amounting to Rs. nil 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 the aforesaid subsidiaries, 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 above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial statements certified by the management.

18. The consolidated financial statements of the Group for the year ended 31 March 2023 were audited by the predecessor auditor, Deloitte Haskins & Sells LLP, who have expressed a qualified opinion on those consolidated financial statements vide their audit report dated 29 May 2023.

Report on Other Legal and Regulatory Requirements

19. As required by section 197(16) of the Act based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 16 on separate financial statements of the subsidiaries, we report that the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

20. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us and by the respective other auditors as mentioned in paragraph 16 above, of companies included in the consolidated financial statements for the year ended 31 March 2024 and covered under the Act we report that:

A. Following are the qualifications/adverse remarks reported by us and the other auditors in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2024 for which such Order reports have been issued till date and made available to us:

S No	Name	CIN	Holding Company / subsidiary	Clause number of the CARO report which is qualified or adverse
1	Adani Energy Solutions Limited	L40300GJ2013PLC077803	Holding Company	(xi)(a)
2	Adani Electricity Mumbai Limited	U74999GJ2008PLC107256	Subsidiary	(vi), (xi)(a), (xiii)

B. Following are the companies included in the consolidated financial statements for the year ended 31 March 2024 audited by other auditors, for which the reports under section 143(11) of such companies have not yet been issued by the respective other auditors, as per information and explanation given to us by the management in this respect:

S No	Name	CIN	Subsidiary
1	Adani Energy Solutions Step-Thirteen Limited	U27104GJ2024PLC148633	Subsidiary

21. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:

a) We have sought and except for the matters described in the Basis for Qualified Opinion section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 and the reports of the other auditors, except for the possible effects of the matter described in the Basis for Qualified Opinion section and except for the matters stated in paragraph 21(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).;

c) The consolidated financial statements 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) Except for the possible effects of the matter described in the Basis for Qualified Opinion section, in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

e) The matter described in the Basis for Qualified Opinion section, in our opinion, may have an adverse effect on the functioning of the Holding Company and Adani Electricity Mumbai Limited, a subsidiary of the Holding Company respectively;

f) On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act.

g) The qualification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in the Basis for Qualified Opinion section and paragraph 21(b) above on reporting under section 143(3)(b) of the Act and paragraph 21(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure B' wherein we have expressed a modified opinion; and

i) 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 and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 42(i), 42(iv) to the consolidated financial statements;

ii. Provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts, as detailed in note 45 to the consolidated financial statements;

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 companies covered under the Act, during the year ended 31 March 2024;

iv. a. The respective managements of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in note 66(i) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary companies ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiary companies, incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the note 66(i), 66(ii) and 66(iii)to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The interim dividend paid by one of the subsidiary companies during the year ended 31 March 2024 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

vi. Based on our examination which included test checks, the Group, in respect of financial year commencing on 1 April 2023, has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature was not enabled at database level for accounting software SAP S/4 HANA to log any direct data changes, as described in note 65 to the consolidated financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such feature is enabled.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel
Partner
Membership No.: 99514
UDIN: 24099514BKCMUR4399

Place: Gurugram
Date: 30 April 2024

Annexure A to Independent Auditor's Report of even date to the members of Adani Energy Solutions Limited (formerly known as Adani Transmission Limited) on the consolidated financial statements for the year ended 31 March 2024

List of entities included in the consolidated financial statements -

S. no.	Name of entities
A	**Holding Company**
1	Adani Energy Solutions Limited (formerly known as Adani Transmission Limited)
B	**Subsidiaries**
1	Maharashtra Eastern Grid Power Transmission Company Limited (step-down subsidiary)
2	Adani Transmission (India) Limited (step-down subsidiary)
3	Sipat Transmission Limited
4	Raipur-Rajnandgaon-Warora Transmission Limited
5	Chhattisgarh-WR Transmission Limited
6	Adani Transmission (Rajasthan) Limited
7	North Karanpura Transco Limited
8	Maru Transmission Service Company Limited
9	Aravali Transmission Service Company Limited
10	Fatehgarh-Bhadla Transmission Limited
11	Ghatampur Transmission Limited
12	Hadoti Power Transmission Service Limited
13	Barmer Power Transmission Service Limited
14	Thar Power Transmission Service Limited
15	Western Transco Power Limited
16	Western Transmission (Gujarat) Limited
17	Obra-C Badaun Transmission Limited
18	Adani Transmission Bikaner Sikar Private Limited
19	Bikaner-Khetri Transmission Limited
20	WRSS XXI (A)Transco Limited
21	Lakadia Banaskantha Transco Limited
22	Jam Khambaliya Transco Limited
23	Arasan Infra Limited (formerly known as Arasan Infra Private Limited)
24	Sunrays Infra Space Limited (formerly known as Sunrays Infra Space Private Limited)
25	Kharghar Vikhroli Transmission Limited
26	Alipurduar Transmission Limited
27	Adani Transmission Step-One Limited
28	Warora Kurnool Transmission Limited
29	MP Power Transmission Package-II Limited
30	ATL HVDC Limited
31	MPSEZ Utilities Limited
32	Karur Transmission Limited
33	Khavda-Bhuj Transmission Limited
34	Power Distribution Services Limited
35	Adani Electricity Mumbai Limited
36	Adani Electricity Navi Mumbai Limited (formerly known as AEML Infrastructure Limited)
37	Adani Electricity Mumbai Infra Limited (Step-down subsidiary)

S. no.	Name of entities
38	AEML Seepz Limited (Step-down subsidiary)
39	Adani Electricity Jewar Limited (w.e.f. September 12, 2022)
40	Adani Transmission Mahan Limited (Step-down subsidiary) (w.e.f. September 05, 2022)
41	Adani Transmission Step-Two Limited (w.e.f. August 02, 2022)
42	BEST Smart Metering Limited (w.e.f. December 27, 2022)
43	Adani Cooling Solutions Limited (w.e.f. December 12, 2022)
44	WRSR Power Transmission Limited (w.e.f. January 17, 2023)
45	Adani Transmission Step-Three Limited (w.e.f. January 12, 2023)
46	Adani Transmission Step-Four Limited (w.e.f. January 12, 2023)
47	Adani Transmission Step-Five Limited (w.e.f. January 11, 2023)
48	Adani Transmission Step-Six Limited (w.e.f. January 13, 2023)
49	Adani Transmission Step-Seven Limited (w.e.f. January 12, 2023)
50	Adani Transmission Step-Eight Limited (w.e.f. January 12, 2023)
51	NE Smart Meteering Limited (formerly Adani Transmission Step Nine Limited (w.e.f. January 16,2023))
52	Adani Electricity Aurangabad Limited (w.e.f. March 15, 2023)
53	Adani Electricity Nashik Limited (w.e.f. March 16, 2023)
54	Khavda II-A Transmission Limited (w.e.f. March 28, 2023)
55	Adani Green Energy Thirty Limited (Step-down subsidiary) (w.e.f. March 31, 2023)
56	KPS 1 Transmission Limited (w.e.f. August 16, 2023)
57	Halvad Transmission Limited (w.e.f. December 26, 2023)
58	Sangod Transmission Service Limited (w.e.f. October 6, 2023)
59	Sunrays Infra Space Two Limited (w.e.f. January 19, 2024)
60	Arasan Infra Two Limited (w.e.f. January 20, 2024)
61	Adani Energy Solutions Step-Twelve Limited (w.e.f. January 25, 2024)
62	Adani Energy Solutions Step-Thirteen Limited (w.e.f. February 13, 2024)
C	**Partnership Firm**
1	Adani-LCC JV

Consolidated Balance Sheet as at 31st March, 2024

(₹ in Crores)

Particulars	Notes	As at 31st March, 2024	As at 31st March, 2023
ASSETS			
Non-current Assets			
Property, Plant and Equipment	5.1	36,436.74	30,295.28
Right of Use Assets	5.2	783.11	652.22
Capital Work-In-Progress	5.3	3,002.69	6,200.44
Goodwill	55(ii)	598.29	598.29
Intangible Assets	5.1	1,101.60	1,099.35
Financial Assets			
(i) Investments	6	323.79	312.89
(ii) Loans	7	22.51	26.10
(iii) Other Financial Assets	8	3,841.12	3,974.70
Deferred Tax Assets (Net)	28	40.43	-
Income Tax Assets (Net)	9	57.55	60.78
Other Non-current Assets	10	2,752.86	1,804.84
Total Non-current Assets		**48,960.69**	**45,024.89**
Current Assets			
Inventories	11	255.28	151.91
Financial Assets			
(i) Investments	12	442.69	1,056.79
(ii) Trade Receivables	13	1,564.95	1,437.59
(iii) Cash and Cash Equivalents	14	742.06	190.64
(iv) Bank Balances other than (iii) above	15	1,486.08	1,513.50
(v) Loans	16	407.78	477.20
(vi) Other Financial Assets	17	2,360.77	1,906.39
Other Current Assets	18	787.15	209.01
Total Current Assets		**8,046.76**	**6,943.03**
Total Assets before Regulatory Deferral Account		**57,007.45**	**51,967.92**
Regulatory Deferral Account - Assets	54	1,571.36	1,963.83
Total Assets		**58,578.81**	**53,931.75**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	19	1,115.49	1,115.49
Other Equity	21	11,526.06	10,633.68
Total Equity attributable to Equity Owners of the Company		**12,641.55**	**11,749.17**
Non-Controlling Interests		1,061.58	1,126.60
Total Equity		**13,703.13**	**12,875.77**
Liabilities			
Non-current Liabilities			
Financial Liabilities			
(i) Borrowings	22	33,559.62	31,330.39
(ia) Lease Liabilities	23	45.49	51.69
(ii) Trade Payables	24		
(A) total outstanding dues of micro enterprises and small enterprises;		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		37.39	32.76
(iii) Other Financial Liabilities	25	513.12	338.84
Other Non-Current Liabilities	26	420.37	332.96
Provisions	27	630.23	527.73
Deferred Tax Liabilities (Net)	28	1,652.78	1,424.32
Total Non-current Liabilities		**36,859.00**	**34,038.69**
Current Liabilities			
Financial Liabilities			
(i) Borrowings	29	3,449.25	2,868.45
(ia) Lease Liabilities	23	15.29	19.50
(ii) Trade Payables	30		
(A) total outstanding dues of micro enterprises and small enterprises;		50.92	46.43
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		1,671.19	1,754.00
(iii) Other Financial Liabilities	31	2,043.83	1,837.82
Other Current Liabilities	32	630.68	363.79
Provisions	27	98.51	119.29
Current Tax Liabilities (Net)	33	3.18	8.01
Total Current Liabilities		**7,962.85**	**7,017.29**
Total Liabilities before Regulatory Deferral Account		**44,821.85**	**41,055.98**
Regulatory Deferral Account-Liabilities	54	53.83	-
Total Equity and Liabilities		**58,578.81**	**53,931.75**
Summary of material accounting policy information	3		
See accompanying notes forming part of the consolidated financial statements			

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No : 001076N/N500013

For and on behalf of the Board of Directors
ADANI ENERGY SOLUTIONS LIMITED
(Formerly known as Adani Transmission Limited)

NEERAJ GOEL
Partner
Membership No : 99514

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director
DIN: 00006867

KANDARP PATEL
Chief Executive Officer

KUNJAL MEHTA
Chief Financial Officer

JALADHI SHUKLA
Company Secretary

Place : Gurugram
Date : 30th April, 2024

Place : Ahmedabad
Date : 30th April, 2024

ADANI ENERGY SOLUTIONS LIMITED (Formerly known as Adani Transmission Limited)

Consolidated Statement of Profit and Loss for the year ended 31st March, 2024

(₹ in Crores)

Particulars	Notes	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Income			
Revenue from Operations	34	16,607.36	13,292.72
Other Income	35	610.95	547.74
Total Income		**17,218.31**	**13,840.46**
Expenses			
Cost of Power Purchased		4,340.30	3,839.98
Cost of Fuel		1,119.09	1,384.18
Purchases of Stock-in-Trade	36	1,028.95	755.13
Employee Benefits Expense	37	951.70	986.65
Finance Costs	38	2,766.51	2,781.47
Depreciation and Amortisation Expense	5.4	1,776.08	1,607.74
Other Expenses	39	2,996.11	1,809.17
Total Expenses		**14,978.74**	**13,164.32**
Profit Before Rate Regulated Activities, Tax and Deferred Assets recoverable/adjustable for the year		**2,239.57**	**676.14**
Net movement in Regulatory Deferral Account Balances - Income/(Expenses)	54	(460.01)	1,035.58
Profit Before Tax and Deferred Assets recoverable/adjustable for the year		**1,779.56**	**1,711.72**
Tax Expense:	40		
Current Tax		298.60	260.94
Deferred Tax		281.53	174.39
Total Tax expenses		**580.13**	**435.33**
Profit After Tax for the year but before Deferred Assets recoverable/adjustable		**1,199.43**	**1,276.39**
Deferred assets recoverable/adjustable		(3.82)	4.21
Profit After Tax for the year		**1,195.61**	**1,280.60**
Other Comprehensive Income/(Loss)			
(a) Items that will not be reclassified to profit or loss			
- Remeasurement gain / (loss) of Defined Benefit Plan		(14.76)	47.53
- Movement in Regulatory Deferral Balance		13.99	(47.94)
- Tax relating to items that will not be reclassified to Profit or Loss		0.01	(8.36)
(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		(375.33)	(341.59)
- Tax relating to items that will be reclassified to Profit or Loss (Refer Note 61)		93.62	71.64
Other Comprehensive Income/ (Loss) for the year (Net of Tax)		**(282.47)**	**(278.72)**
Total Comprehensive Income for the year		**913.14**	**1,001.88**
Profit for the year attributable to:			
Owners of the Company		1,137.28	1,256.33
Non-controlling interests		58.33	24.27
		1,195.61	**1,280.60**
Other Comprehensive Income / (Loss) for the year attributable to:			
Owners of the Company		(246.65)	(265.91)
Non-controlling interests		(35.82)	(12.81)
		(282.47)	**(278.72)**
Total Comprehensive Income for the year attributable to:			
Owners of the Company		890.63	990.42
Non-controlling interests		22.51	11.46
		913.14	**1,001.88**
Earnings Per Share (EPS) (in ₹) (Face Value ₹ 10 Per Share)	41		
Basic / Diluted Earnings per Equity Share (Face Value of ₹ 10 each) after Net movement in Regulatory Deferral Account Balances (₹)		10.20	11.10
Basic / Diluted Earnings per Equity Share (Face Value of ₹ 10 each) before Net movement in Regulatory Deferral Account Balances (₹)		12.87	5.35
Summary of material accounting policy information	3		
See accompanying notes forming part of the consolidated financial statements			

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No : 001076N/N500013

For and on behalf of the Board of Directors
ADANI ENERGY SOLUTIONS LIMITED
(Formerly known as Adani Transmission Limited)

NEERAJ GOEL
Partner
Membership No : 99514

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director
DIN: 00006867

KANDARP PATEL
Chief Executive Officer

KUNJAL MEHTA
Chief Financial Officer

JALADHI SHUKLA
Company Secretary

Place : Gurugram
Date : 30th April, 2024

Place : Ahmedabad
Date : 30th April, 2024

Statement of Consolidated Cash flows for the year ended 31st March, 2024

(₹ in Crores)

	Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
A.	**Cash flows from operating activities**		
	Profit before tax	1,779.56	1,711.72
	Adjustments for:		
	Depreciation and Amortisation Expense	1,776.08	1,607.74
	Amortisation of Service Line Contribution	(17.46)	(15.03)
	Gain on Sale/Fair Value of Current Investments measured at FVTPL	(43.10)	(21.24)
	Finance Costs	2,766.51	2,781.47
	Interest Income	(386.62)	(494.77)
	Gain on buy-back of bond	(136.49)	-
	Unclaimed liabilities / Excess provision written back	(8.39)	(0.51)
	Bad Debt Written Off	17.09	15.21
	Provision for Doubtful Debts, Advances, Deposits	-	18.58
	Sundry creditors written back	-	(2.44)
	(Gain) / Loss on sale/scrapping of Property, Plant and Equipment	(3.73)	0.20
	Foreign Exchange Fluctuation Loss	0.40	0.46
	Operating profit before working capital changes	**5,743.85**	**5,601.39**
	Changes in Working Capital:		
	(Increase) / Decrease in Operating Assets :		
	Inventories	(103.37)	98.20
	Trade Receivables	(144.45)	(394.95)
	Other Financial Assets and Other Assets	38.53	(495.57)
	Regulatory Deferral Account - Assets	392.47	(839.81)
	Increase / (Decrease) in Operating Liabilities :		
	Trade Payables	(59.33)	219.55
	Other Financial Liabilities, Other Liabilities and Provisions	416.17	105.30
	Regulatory Deferral Account - Liabilities	53.83	(271.56)
	Cash generated from operations	**6,337.70**	**4,022.55**
	Income taxes paid (Net)	(300.08)	(245.56)
	Net cash generated from operating activities (A)	**6,037.62**	**3,776.99**
B.	**Cash flows from investing activities**		
	Purchase of Property, Plant and Equipment (including capital advance and contract assets under Service Concession	(5,429.54)	(4,702.21)
	Acquisition of Subsidiaries	(34.79)	(36.75)
	Advance for Acquisition of SPV	-	(6.35)
	Proceeds/(Purchase) of Investments (Contingency Reserve) (net)	(16.10)	(48.67)
	Proceeds/(Purchase) of current investment (net)	682.85	(726.02)
	Deposits in Bank deposits (net) (Including Margin money deposit)	(494.39)	(279.11)
	Non-current Loans Given	-	(2,003.76)
	Non-current Loans received back	-	3,106.20
	Current Loan (Given to) / Received back (net)	3.83	(469.39)
	Interest Received	345.11	467.35
	Net cash used in investing activities (B)	**(4,943.03)**	**(4,698.71)**
C.	**Cash flows from financing activities**		
	Increase in Service Line Contribution	107.21	59.52
	Proceeds from issuance of Share Capital including share premium	-	3,850.00
	Proceeds from Long-term borrowings	5,458.95	5,169.59
	Repayment of Long-term borrowings	(3,277.27)	(3,573.23)
	Proceeds/(repayment) from Short-term borrowings (net)	361.25	731.20
	Gain on buy-back of bond	136.49	-
	Payment of Dividend on Equity Shares	(85.78)	-
	Repayment of Unsecured Perpetual Equity Instrument (including distribution)	-	(3,075.49)
	Finance Cost paid	(3,221.95)	(2,212.50)
	Payment of Lease Liabilities (including interest paid on lease liabilities CY : ₹ 7.73 Cr [PY : ₹ 9.41 Cr])	(22.14)	(25.87)
	Net cash generated from / (used in) financing activities (C)	**(543.24)**	**923.22**
	Net increase in cash and cash equivalents (A+B+C)	**551.35**	**1.50**
	Cash and cash equivalents at the beginning of the year	**190.64**	**189.05**
	Cash and cash equivalents acquired on acquisition of transmission business	0.07	0.09
	Cash and cash equivalents at the end of the year	**742.06**	**190.64**

Cash and Cash Equivalents includes (Refer note 14)	**As at 31st March, 2024**	**As at 31st March, 2023**
Balances with banks		
In current accounts	225.15	152.55
Fixed Deposits (with original maturity for three months or less)	501.35	23.53
Cheque / Draft on Hand	14.18	14.13
Cash on Hand	1.38	0.43
Total Cash and Cash Equivalents	**742.06**	**190.64**

Notes to Statement of Consolidated Cash Flows:

1 The Statement of Consolidated Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 "Statement of Cash Flows"

2 Disclosure under Para 44A as set out in Ind AS 7 on Statement of Cash Flows under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is given below:

(₹ in Crores)

Particulars	1st April, 2023	Cash Flows (net)	Non Cash Transactions	31st March, 2024
Long-term Borrowings (Including Current Maturities of Long Term Debt)#	32,012.22	2,181.68	267.10	34,461.00
Short term Borrowings	2,186.62	361.25	-	2,547.87
Lease Liabilities	71.19	(22.14)	11.73	60.78
Interest Accrued	272.66	(3,221.95)	3,240.28	290.99
TOTAL	**34,542.69**	**(701.16)**	**3,519.11**	**37,360.64**

(₹ in Crores)

Particulars	1st April, 2022	Cash Flows (net)	Non Cash Transactions	31st March, 2023
Long-term Borrowings (Including Current Maturities of Long Term Debt)#	28,359.16	1,596.36	2,056.70	32,012.22
Short term Borrowings	1,455.42	731.20	-	2,186.62
Unsecured perpetual Equity Instrument including Distribution*	3,055.65	(3,075.49)	19.84	-
Lease Liabilities	87.21	(25.87)	9.85	71.19
Interest Accrued	212.03	(2,212.50)	2,273.13	272.66
TOTAL	**33,169.47**	**(2,986.30)**	**4,359.52**	**34,542.69**

*Non cash transactions includes Distribution on perpetual Equity Instrument.

#Non cash trasactions includes Balances taken over on acquisition of Subsidiaries, Interest accrued converted to loan, Unrealised foreign exchange gain/loss and amortised cost of borrowings.

See accompanying notes forming part of the consolidated financial statements

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No : 001076N/N500013

NEERAJ GOEL
Partner
Membership No : 99514

Place : Gurugram
Date : 30th April, 2024

For and on behalf of the Board of Directors
ADANI ENERGY SOLUTIONS LIMITED
(Formerly known as Adani Transmission Limited)

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director
DIN: 00006867

KANDARP PATEL
Chief Executive Officer

KUNJAL MEHTA
Chief Financial Officer

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 30th April, 2024

A. Equity Share Capital

Particulars	No. of Shares	(₹ in Crores)
Balance as at 1st April, 2022	**1,09,98,10,083**	**1,099.81**
Issue of shares during the year	1,56,82,600	15.68
Balance As at 31st March, 2023	**1,11,54,92,683**	**1,115.49**
Issue of shares during the year	-	-
Balance As at 31st March, 2024	**1,11,54,92,683**	**1,115.49**

B. Unsecured Perpetual Equity Instrument

Particulars	(₹ in Crores)
Balance as at 1st April, 2022	**3,055.65**
i) Add: Availed during the year	-
ii) Add: Distribution on Unsecured Perpetual Equity Instrument	19.81
iii) Less: Repaid during the year	(3,075.46)
Balance As at 31st March, 2023	**-**
i) Add: Availed during the year	-
ii) Add: Distribution on Unsecured Perpetual Equity Instrument	-
iii) Less: Repaid during the year	-
Balance As at 31st March, 2024	**-**

C. Other Equity

(₹ in Crores)

Particulars	Attributable to owners of the Company										Non - controlling interest	Total
	Reserves and Surplus								Item of other comprehensive income	Total Attributable to owners of the Company		
	Capital Reserve	General Reserve	Retained Earnings	Capital Redemption Reserve	Debenture Redemption Reserve	Self Insurance Reserve	Contingency Reserve	Securities Premium	Effective portion of cashflow Hedge			
Balance as at 1st April, 2022	**208.87**	**1,201.95**	**1,955.18**	**2,436.53**	**11.15**	**18.65**	**334.89**	**-**	**(409.86)**	**5,757.36**	**1,093.68**	**6,851.04**
Impact on account of restatement (Refer Note 61)	-	-	-	-	-	-	-	-	69.56	69.56	23.31	92.87
Profit for the year	-	-	1,256.33	-	-	-	-	-	-	1,256.33	24.27	1,280.60
Add/(Less): Other comprehensive income for the year (Net of Tax)	-	-	(6.67)	-	-	-	-	-	(259.24)	(265.91)	(12.81)	(278.72)
Total Comprehensive Income	**-**	**-**	**1,249.66**	**-**	**-**	**-**	**-**	**-**	**(259.24)**	**990.42**	**11.46**	**1,001.88**
(Less): Distribution on Unsecured perpetual Equity Instrument	-	-	(19.83)	-	-	-	-	-	-	(19.83)	-	(19.83)
Add/ (Less): Transfer from Retained Earning to Contingency Reserve	-	-	(21.74)	-	-	-	23.59	-	-	1.85	(1.85)	-
Add /(Less): Appropriation to Self Insurance Reserve	-	(25.01)	-	-	-	25.01	-	-	-	-	-	-
Add /(Less): Addition on account of issue of shares during the year	-	-	-	-	-	-	-	3,834.32	-	3,834.32	-	3,834.32
Add / (Less): Transfer from Retained Earning to Debenture Redemption Reserve	-	-	(13.89)	-	13.89	-	-	-	-	-	-	-
Balance As at 31st March, 2023	**208.87**	**1,176.94**	**3,149.38**	**2,436.53**	**25.04**	**43.66**	**358.48**	**3,834.32**	**(599.54)**	**10,633.68**	**1,126.60**	**11,760.28**
Profit for the year	-	-	1,137.28	-	-	-	-	-	-	1,137.28	58.33	1,195.61
Add/(Less): Other comprehensive income for the year (Net of Tax)	-	-	(0.64)	-	-	-	-	-	(246.01)	(246.65)	(35.82)	(282.47)
Total Comprehensive Income	**-**	**-**	**1,136.64**	**-**	**-**	**-**	**-**	**-**	**(246.01)**	**890.63**	**22.51**	**913.14**
(Less): Dividend paid	-	-	-	-	-	-	-	-	-	-	(85.78)	(85.78)
Add/ (Less): Transfer from Retained Earning to Contingency Reserve	-	-	(21.49)	-	-	-	23.24	-	-	1.75	(1.75)	-
Add /(Less): Appropriation to Self Insurance Reserve	-	(24.67)	-	-	-	24.67	-	-	-	-	-	-
Add/(Less): Transfer from Retained Earning to Debenture Redemption Reserve	-	-	0.65	-	(0.65)	-	-	-	-	-	-	-
Balance As at 31st March, 2024	**208.87**	**1,152.27**	**4,265.18**	**2,436.53**	**24.39**	**68.33**	**381.72**	**3,834.32**	**(845.55)**	**11,526.06**	**1,061.58**	**12,587.64**

See accompanying notes forming part of the consolidated financial statements

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No : 001076N/N500013

For and on behalf of the Board of Directors
ADANI ENERGY SOLUTIONS LIMITED
(Formerly known as Adani Transmission Limited)

NEERAJ GOEL
Partner
Membership No : 99514

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director
DIN: 00006867

KANDARP PATEL
Chief Executive Officer

KUNJAL MEHTA
Chief Financial Officer

JALADHI SHUKLA
Company Secretary

Place : Gurugram
Date : 30th April, 2024

Place : Ahmedabad
Date : 30th April, 2024

1 Corporate information

Adani Energy Solutions Limited (Formerly Known as Adani Transmission Limited) ("The Company") is a public limited company incorporated and domiciled in India having CIN no L40300GJ2013PLC077803. It's ultimate holding entity is S. B. Adani Family Trust (SBAFT), having its registered office at 'Adani Corporate House', Shantigram, Near Vaishno Devi Circle, S.G.Highway, Khodiyar, Ahmedabad - 382421, Gujarat, India. The principal business of the Company and its subsidiaries (together referred to as "the Group") includes :

Power Transmission Business :

The Group carries on the business of establishing, commissioning, setting up, operating and maintaining electric power transmission systems and to peruse acquisition of available opportunity in power transmission systems/networks. The Group develops, owns and operates transmission lines across the States of Gujarat, Rajasthan, Bihar, Jharkhand, Uttar Pradesh, Maharashtra, Haryana, Chhattisgarh, Madhya Pradesh, West Bengal, Andhra Pradesh, Telangana, Karnataka, and Tamil Nadu. The Group has also entered in to new business opportunities through Optical Ground Wire (OPGW) fibres on transmission lines with the ambition of expanding its telecom solutions to Telcos, Internet service providers and long distance communication operators. The commercialization of the network shall be done through leasing out spare capacities to potential communication players.

Generation, Transmission and Distribution of Power (GTD Business) :

The Group has entered in Generation and Distribution business in Mumbai through acquisition of Integrated Mumbai Power Business i.e. Business of Generation, Transmission and Distribution (GTD). Further the group also provides facility of distribution of electricity, effluent & sewage treatment in Mundra SEZ area, Kutch, Gujarat.

Smart Metering Business :

The Group's Distribution Platform shall implement the Smart Metering Project on Design-Build-Finance- Own-Operate-Transfer (DBFOOT) basis. As a part of mandate won, Smart Meters and related Communication & Cloud infrastructure will be installed over a period of 27-30 months and maintained for the following 90 months, approximately. The projects shall cover end to end Smart Metering for Distribution Infrastructure and End Consumers, enabling complete energy accounting with zero manual intervention.

Cooling Solutions :

The District Cooling System (DCS) produces chilled water in a central plant and distributes cooling capacity in the form of chilled water from the central plant to multiple buildings through a network of underground pipes for use in space and process cooling. District Cooling Business: a centralized, energy-efficient and low carbon cooling solution to drive sustainability in cooling sector.

Other Business Activities :

The Group also deals in various Bullions.

2.1 Basis of Preparation and Presentation

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards (IndAS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 ("the Act") and presentation requirements of Division II of schedule III to the Companies Act, 2013 (as amended from time to time).

The Consolidated financial statements are presented in Indian Rupee (INR) and all values are rounded off to the nearest Crores (Transactions below ₹ 50,000.00 denoted as ₹ 0.00), unless otherwise indicated.

2.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and subsidiaries as at March 31, 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

• has power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
• is exposed, or has rights, to variable returns from its involvement with the investee; and
• has the ability to use its power to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

• the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders:
• potential voting rights held by the Group, other vote holders or other parties;
• rights arising from other contractual arrangements; and
• any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Statement of Profit and Loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The list of Companies included in consolidation, relationship with Adani Energy Solutions Limited (Formerly known as Adani Transmission Limited) and it's shareholding therein is as under:

Sr. No.	Name of Company	Country of Incorporation	Relationship	Shareholding as on 31st March 2024	Shareholding as on 31st March 2023
1	Adani Transmission (India) Limited	India	Subsidiary	100%	100%
2	Maharashtra Eastern Grid Power Transmission Company Limited	India	Subsidiary	100%	100%
3	Sipat Transmission Limited[#]	India	Subsidiary	100%	100%
4	Raipur-Rajnandgaon-Warora Transmission Limited[#]	India	Subsidiary	100%	100%
5	Chhattisgarh-WR Transmission Limited[#]	India	Subsidiary	100%	100%
6	Adani Transmission (Rajasthan) Limited[#]	India	Subsidiary	100%[1]	100%[1]
7	North Karanpura Transco Limited	India	Subsidiary	100%	100%
8	Maru Transmission Service Company Limited	India	Subsidiary	100%	100%
9	Aravali Transmission Service Company Limited	India	Subsidiary	100%	100%
10	Hadoti Power Transmission Service Limited[#]	India	Subsidiary	100%	100%
11	Barmer Power Transmission Service Limited[#]	India	Subsidiary	100%	100%
12	Thar Power Transmission Service Limited[#]	India	Subsidiary	100%	100%
13	Western Transco Power Limited	India	Subsidiary	100%	100%
14	Western Transmission (Gujarat) Limited	India	Subsidiary	100%	100%
15	Fatehgarh-Bhadla Transmission Limited	India	Subsidiary	100%	100%
16	Ghatampur Transmission Limited	India	Subsidiary	100%	100%
17	Adani Electricity Mumbai Limited	India	Subsidiary	74.90%	74.90%
18	Adani Electricity Navi Mumbai Limited (Formerly known as AEML Infrastructure Limited)	India	Subsidiary	100%	100%
19	OBRA-C Badaun Transmission Limited	India	Subsidiary	100%	100%
20	Adani Transmission Bikaner Sikar Private Limited	India	Subsidiary	100%[2]	100%[2]
21	WRSS XXI (A) Transco Limited	India	Subsidiary	100%	100%
22	Bikaner Khetri Transmission Limited	India	Subsidiary	100%	100%
23	Lakadia banaskantha Transco Limited	India	Subsidiary	100%	100%
24	Jamkhambhaliya Transco Limited	India	Subsidiary	100%	100%
25	Arasan Infra Limited (Formerly Known as Arasan Infra Private Limited)	India	Subsidiary	100%	100%
26	Sunrays Infra Space Limited (Formerly Known as Sunrays Infra Space Private Limited)	India	Subsidiary	100%	100%
27	Power Distribution Services Limited	India	Subsidiary	74.90%	74.90%
28	Adani Electricity Mumbai Infra Limited (100% subsidiary of AEML)	India	Subsidiary	74.90%	74.90%
29	Khar Ghar Vikhroli Transmission Limited (Formerly known as Khar Ghar Vikhroli Transmission Private Limited)	India	Subsidiary	100%	100%
30	Alipurduar Transmission Limited	India	Subsidiary	100%[3]	100%[3]
31	AEML Seepz Limited (100% subsidiary of AEML)	India	Subsidiary	74.90%	74.90%
32	Adani Transmission Step One Limited	India	Subsidiary	100%	100%
33	Warora Kurnool Transmission Limited	India	Subsidiary	100%	100%
34	ATL HVDC Limited	India	Subsidiary	100%	100%
35	MP Power Transmission Package-II Limited	India	Subsidiary	100%	100%
36	MPSEZ Utilities Limited (formerly known as MPSEZ Utilities Private Limited)	India	Subsidiary	100%	100%
37	Karur Transmission Limited	India	Subsidiary	100%	100%
38	Khavda-Bhuj Transmission Limited	India	Subsidiary	100%	100%
39	Adani Electricity Jewar Limited	India	Subsidiary	100%	100%
40	Adani Transmission Step-Two Limited	India	Subsidiary	100%	100%
41	Adani Transmission Mahan Limited	India	Subsidiary	100%	100%
42	BEST Smart Metering Limited	India	Subsidiary	100%	100%
43	Adani Cooling Solutions Limited	India	Subsidiary	100%	100%
44	WRSR Power Transmission Limited	India	Subsidiary	100%	100%

Sr. No.	Name of Company	Country of Incorporation	Relationship	Shareholding as on 31st March 2024	Shareholding as on 31st March 2023
45	Adani Transmission Step-Three Limited	India	Subsidiary	100%	100%
46	Adani Transmission Step-Four Limited	India	Subsidiary	100%	100%
47	Adani Transmission Step-Five Limited	India	Subsidiary	100%	100%
48	Adani Transmission Step-Six Limited	India	Subsidiary	100%	100%
49	Adani Transmission Step-Seven Limited	India	Subsidiary	100%	100%
50	Adani Transmission Step-Eight Limited	India	Subsidiary	100%	100%
51	NE Smart Metering Limited (Formerly know as Adani Transmission Step-Nine Limited)	India	Subsidiary	100%	100%
52	Adani Electricity Aurangabad Limited	India	Subsidiary	100%	100%
53	Adani Electricity Nashik Limited	India	Subsidiary	100%	100%
54	Khavda II-A Transmission Limited	India	Subsidiary	100%	100%
55	Adani Green Energy Thirty Limited	India	Subsidiary	100%	100%
56	Adani-LCC JV	India	Partnership Firm	20%	20%
57	KPS 1 Transmission Limited	India	Subsidiary	49%[4]	-
58	Sangod Transmission Service Limited	India	Subsidiary	100%	-
59	Halvad Transmission Limited	India	Subsidiary	100%	-
60	Sunrays Infra Space Two Limited	India	Subsidiary	100%	-
61	Arasan Infra Two Limited	India	Subsidiary	100%	-
62	Adani Energy Solutions Step-Twelve Limited	India	Subsidiary	100%	-
63	Adani Energy Solutions Step-Thirteen Limited	India	Subsidiary	100%	-

[#]USPP Group

1. Adani Transmission (Rajasthan) Limited (ATRL) has entered into a contract (Transmission Service Agreement) with Rajasthan Rajya Vidyut Prasaran Nigam Limited (RRVPNL) providing for the issue and allotment of one non-transferable equity share of ATRL (the "Golden Share") in favour of the RRVPNL.

2. Adani Transmission Bikaner Sikar Private Limited (ATBSPL) has entered into a contract (Transmission Service Agreement) with Rajasthan Rajya Vidyut Prasaran Nigam Limited (RRVPNL) providing for the issue and allotment of one non-transferable equity share of ATBSPL (the "Golden Share") in favour of the RRVPNL.

3. The Group has signed definitive agreements with Kalpataru Power Transmission Limited (KPTL) on 5th July 2020 for acquisition of Alipurduar Transmission Limited (APTL) in a manner consistent with Transmission Service Agreement and applicable consents. The Group has already acquired of 49% Equity Shares of Alipurduar Transmission Limited ("APTL") and during the previous year 2022-23, Group has further acquired additional 25% equity shares of APTL from KPTL in a manner consistent with Transmission Service Agreement and applicable consents. Further, the balance 26% equity shares of APTL will be acquired from KPTL after obtaining requisite approvals.

4. During the year, the Group acquired under-development transmission company 'KPS 1 Transmission Limited' from Megha Engineering & Infrastructures Ltd. The acquisition involves the implementation of the KPS1 - Khavda PS GIS (KPS2) 765 kV double circuit line and the augmentation of Khavda PS1 in the state of Gujarat. The Company has signed definitive agreements with Megha Engineering & Infrastructures Limited (MEIL) on 16th August, 2023 for acquisition of KPS1 Transmission Limited ("KPS1") in a manner consistent with Transmission Service Agreement and applicable consents. The Company has acquired 49% Equity Shares of KPS1 Transmission Limited ("KPS1") during the year, and the balance equity shares of KPS1 will be acquired from MEIL after obtaining requisite approvals. Considering the rights available to the Group under the Share Purchase Agreement (SPA), the group has concluded that it controls KPS1 with effect from 16th August, 2023.

3 Material accounting policy information

(a) Property, plant and equipment

All items of property, plant and equipment, including freehold land, are initially recorded at cost. Subsequent to initial recognition, property, plant and equipment other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses. Freehold land has an unlimited useful life and therefore is not depreciated.

Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any. Other Indirect expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

Depreciation

Depreciation commences when an asset is ready for its intended use. Depreciation is recognised based on the cost of assets (other than land) less their residual values over their useful lives.

(i) Regulated Assets

Depreciation on Property, plant and equipment in respect of electricity business of the Group covered under Part B of Schedule II of the Companies Act, 2013, has been provided on the straight line method at the rates specified in tariff regulations notified by the respective Electricity Regulatory Commission ('Regulator').

(ii) Non-Regulated Assets

Depreciation is recognised on the cost of assets (other than freehold land and properties under construction) less their residual values over their estimated useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Estimated useful life of Regulated and Non Regulated assets are as below :

Type of Assets	Useful lives
Building	3-60 Years
Plant and Equipment (Except Meters & Batteries)	10-35 Years
Plant and Equipment - Meters	10 Years
Plant and Equipment - Batteries	10 Years
Furniture and Fixtures	3-15 Years
Street Light	25 Years
Office Equipment	3-15 Years
Computer Equipment	3-6 Years
Vehicles	8-15 Years
Distribution Line / Transmission Cable	35 Years
Plant and Equipment, Building at DTPS	15 Years

Derecognition

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.

Service line contribution received from consumers towards unconnected lines are recognised under other current financial liabilities till such lines are fully commissioned. When the lines are fully commissioned and capitalised in books, such contribution received is recognised in carrying value of such lines from the block of property, plant and equipment. MUL present the service lines contribution as deferred revenue under the head of non-current liabilities. Further, hitherto, the company presented depreciation charge on such assets as net of amortisation on such contribution being capitalised, the depreciation is presented on gross value and amortisation of such line is being presented as other operating income.

(b) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

In respect of Intangible Asset ("Assets") pertaining to Mumbai Generation, Transmission and Distribution business during the year with effect from 29th August, 2018, the group has accounted for such Assets at their respective fair values based on the valuation done by professional valuation firm. Subsequent additions to the assets after 29th August, 2018 are accounted for at cost.

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. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Estimated useful lives of the intangible assets are as follows:

Type of Assets	Useful lives
Transmission and distribution License	Indefinite
Computer Software	3-6 years

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.

(c) Current / Non-Current Classification

Based on the time involved between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

(d) Financial Instruments

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

(A) Financial assets

Initial Recognition and measurement :

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement :

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

i) Classification and measurement of financial assets

a) Financial assets at amortised cost

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

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

A financial asset is subsequently measured at fair value through other comprehensive income if both of the following criteria are met
- 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.

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

All financial assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in Consolidated profit or loss. The net gain or loss recognised in Consolidated profit or loss incorporates any dividend or interest earned on the financial asset.

ii) 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.

iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:
• the right to receive cash flows from the asset have expired, or
• the Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Consolidated Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Consolidated Statement of Profit and Loss on disposal of that financial asset.

(B) Financial liabilities and equity instruments

i) Classification as debt or equity

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

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:
• Financial liabilities at fair value through profit or loss
• Financial liabilities at amortised cost (loans and borrowings)

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in Consolidated 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 Consolidated Statement of Profit and Loss.

Trade and other payables are recognised at the transaction cost, which is its fair value, and subsequently measured at amortised cost. Similarly, interest bearing loans (inter corporate deposits), trade credits and borrowings (including bonds) are subsequently measured at amortised cost using effective interest rate method. Trade credits include Buyer's credit, Foreign Letter of Credit and Inland Letter of Credit.

Financial liabilities measured at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if these are incurred for the purpose of repurchasing in the near term. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Consolidated Statement of Profit and Loss

iii) Derecognition of Financial Liability

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

(e) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement:

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

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

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 and the risk management objective and strategy for undertaking the hedge.

The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for as described below

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.

(f) Asset Acquisition

The Group acquires transmission SPVs' from third parties. The Purchase consideration primarily pertains to the fair value of the transmission assets. Transmission SPV's are with fixed tariff revenues under the Transmission Services Agreements (TSAs). The only key activity for these SPV's is the maintenance of the transmission assets which is or will be outsourced to third parties. There are no employees retained on acquisition and no other significant processes were existed for earning tariff revenues.

Based on evaluation of the above fact pattern vis-à-vis the guidance on definition of business under Ind AS and also keeping in view the relevant guidance on similar fact pattern available under accounting standards applicable in other jurisdictions, the management has classified the acquisition of transmission SPVs as asset acquisition.

(g) Goodwill

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

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

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

(h) Foreign currencies

The functional currency of the Group is Indian Rupee ₹.

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

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for:

(i) exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and

(ii) exchange differences on transactions entered into in order to hedge certain foreign currency risks.

(i) Fair value measurement

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

(i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

(ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

(iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per The Group's accounting policies. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(j) 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.

• **Power Transmission Services**

a. Transmission Service Agreements

Revenue from contracts with customers comprises of revenue from power transmission services rendered in India to Long Term Transmission Customers (LTTCs) pursuant to the respective Transmission Services Agreements (TSAs) executed by the Group with LTTCs for periods of 35/25 years. The Group is required to ensure that the transmission assets meet the minimum availability criteria under the respective TSAs. The Group's performance obligation under the TSAs is to provide power transmission services. The performance obligation is satisfied over time as the customers receive and consume the benefits provided by the Group's performance as the Group performs.

b. Bulk Power Transmission Agreements

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. Any surplus/shortfall in the recovery is accounted as revenue based on the final tariff orders by the regulatory authority.

Accordingly, the revenue from power transmission services is recognised over time based on the transmission asset availabilities and the tariff charges approved under the respective TSA's / tariff orders and includes unbilled revenues accrued up to the end of the accounting period. The payment is generally due within 30-60 days upon receipt of monthly invoice by the customer.

c. Service Concession Arrangements

The group also has been operating and maintaining the power transmission system including sub-station constructed to provide services for a specified period of time in accordance with the transmission agreement entered into with the grantor. Under Appendix D to Ind AS 115, this arrangement is considered as Service Concession Arrangement and in accordance with para 16 of the Appendix D to Ind AS 115, rights to receive the consideration from the grantor for providing services has been recognised as "financial assets". Finance Income for Service Concession Arrangements under finance assets model is recognised using effective interest rate method.

d. Incentive Income

Income from transmission system incentive is accounted for based on certification of availability by respective regulatory nominated body. Where certification by the regulatory nominated body is not available, incentive is accounted for on provisional basis as per estimate of availability by the Group and differences, if any is accounted upon receipt of certification.

e. Revenue From Change in law

Revenue from operations on account of Force Majeure / change in law events in terms of TSA with customers is accounted for by the Company based on the orders / reports of Regulatory Authorities, best management estimates, wherever needed and reasonable certainty to expect ultimate collection.

• **Sale of Power-Distribution business**

Revenue from sale of power is recognised net of cash discount over time for each unit of electricity delivered at the pre-determined rate as determined by the respective State Electricity Regulatory Commission. Sales of power under Deviation settlement mechanism is recognised at variable cost.

• **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.

• **Sale of Goods**
Revenue from sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The amount of revenue can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the Group;
- there is no significant judgement involved while evaluating the timing as to when customers obtain control of promised goods and services.

• **Construction and Development of Infrastructure Assets :**
The Group's business operations includes in construction and development of infrastructure assets. Where the outcome of the project cannot be estimated reasonably, Revenue from contracts for such construction and development activities is recognized on completion of relevant activities under the contract and the transfer of control of the infrastructure when all significant risks and rewards of ownership in the infrastructure assets are transferred to the customer .

• **Financing component:**
The Group receives advance payments from customers for the setup and sale of customised Sub-station and transmission line with a construction lead time of 6 months after signing the contract and receipt of payment. There is a significant financing component for these contracts considering the length of time between the customers' payment and the transfer of the equipment, as well as the prevailing interest rate in the market. As such, the transaction price for these contracts is discounted, using the interest rate implicit in the contract. This rate is commensurate with the rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception.

The Group applies the practical expedient for short-term advances received from customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised good or service and the payment is one year or less.

• **Interest on Overdue Receivables / Delayed Payment Charges:**
Power Transmission Business: Revenue in respect of delayed payment charges and interest on delayed payments leviable as per the relevant contracts are recognised on actual realisation or accrued based on an assessment of certainty of realization supported by either an acknowledgement from customers or on receipt of favorable order from regulator / authorities.

Power Distribution Business: Consumers are billed on a monthly basis and are given average credit period of 15 to 30 days for payment. No delayed payment charges ('DPC') / interest on arrears ('IOA') is charged for the initial 15-30 days from the date of invoice to customers. Thereafter, DPC / IOA is charged at the rate prescribed in the tariff order on the outstanding amount. 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.

• **Other 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.

(k) 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. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. 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.

Substantial time is defined as time required for commissioning of the assets considering industry benchmarks.

(l) Employee benefits

i) Defined benefit plans:
The Group has an obligation towards gratuity, a defined benefit retirement plan which is a combination of funded plan / unfunded plan for various companies in the Group.

Defined benefit costs in the nature of current and past service cost and net interest expense or income are recognized in the statement of profit and loss in the period in which they occur. Actuarial gains and losses on remeasurement is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur and is reflected immediately in retained earnings and not reclassified to profit or loss.

ii) Defined contribution plan:
Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

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

iv) Short-term and other long-term employee benefits
A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

(m) 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.

Group as a lessee

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.

Right-of-use assets

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.

Lease Liabilities

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.

(n) Taxation

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

i) Current tax

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

ii) Deferred tax

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

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.

Regulators tariff norms in respect of certain subsidiaries which operate under cost plus tariff regime, provide the recovery of Income Tax from the beneficiaries by way of grossing up the return on equity based on effective tax rate for the financial year shall be based on the actual tax paid during the year on the transmission income from certain subsidiaries . Accordingly, deferred tax liability provided during the year which is fully recoverable from beneficiaries and known as "deferred assets recoverable / adjustable". The same will be recovered when the related deferred tax liability forms a part of current tax.

(o) 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.

4 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended 31st March, 2024 MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

5.1 Property, Plant and Equipment and Intangible Assets

(₹ in Crores)

Description of Assets	Tangible Assets												Intangible Assets			
	Land (Free hold)	Building	Plant and Equipment	Furniture and Fixtures	Office Equipment	Computer Equipment	Vehicles	Railway Slidings	Distribution System	Jetties	Electrical Installation	Total	Computer Software	Transmission and distribution License	Other Intangible Assets	Total
I. Gross Carrying Amount																
Balance as at 1st April, 2022	**2,860.57**	**1,117.90**	**23,642.82**	**24.25**	**31.76**	**183.38**	**45.78**	**6.70**	**6,313.96**	**1.36**	**44.59**	**34,273.07**	**96.21**	**1,032.96**	-	**1,129.17**
Additions	38.67	76.16	3,187.42	1.06	7.16	43.04	32.30	-	562.33	-	8.11	3,956.25	32.57	-	-	32.57
Disposals	(0.04)	(0.01)	(22.10)	(0.01)	(0.41)	(3.34)	(2.23)	-	(2.68)	-	(0.41)	(31.23)	-	-	-	-
Balance As at 31st March, 2023	**2,899.20**	**1,194.05**	**26,808.14**	**25.30**	**38.51**	**223.08**	**75.85**	**6.70**	**6,873.61**	**1.36**	**52.29**	**38,198.09**	**128.78**	**1,032.96**	-	**1,161.74**
Additions	110.52	177.40	6,797.66	1.13	5.19	44.31	3.55	-	716.62	-	3.79	7,860.17	35.33	-	7.01	42.34
Disposals	-	(0.07)	(13.05)	(0.02)	(0.09)	(0.66)	(0.17)	-	(1.52)	-	(0.01)	(15.59)	-	-	-	-
Balance As at 31st March, 2024	**3,009.72**	**1,371.38**	**33,592.75**	**26.41**	**43.61**	**266.73**	**79.23**	**6.70**	**7,588.71**	**1.36**	**56.07**	**46,042.67**	**164.11**	**1,032.96**	**7.01**	**1,204.08**
II. Accumulated depreciation and Amortisation																
Balance as at 1st April, 2022	**-**	**143.11**	**5,359.27**	**11.13**	**11.87**	**48.70**	**11.86**	**1.49**	**768.89**	**0.28**	**11.45**	**6,368.05**	**33.71**	**-**	**-**	**33.71**
Depreciation and Amortisation Expense	-	42.47	1,163.05	1.45	4.84	45.04	3.41	0.41	290.10	0.09	4.38	1,555.24	28.68	-	-	28.68
Eliminated on disposal of assets	-	(0.01)	(14.21)	(0.01)	(0.23)	(3.33)	(1.31)	-	(1.00)	-	(0.38)	(20.48)	-	-	-	-
Balance As at 31st March, 2023	**-**	**185.57**	**6,508.11**	**12.57**	**16.48**	**90.41**	**13.96**	**1.90**	**1,057.99**	**0.37**	**15.45**	**7,902.81**	**62.39**	**-**	**-**	**62.39**
Depreciation and Amortisation Expense	-	45.10	1,292.72	1.33	5.70	42.68	4.66	0.41	316.50	0.09	4.86	1,714.05	40.09	-	0.00	40.09
Eliminated on disposal of assets	-	(0.07)	(9.34)	(0.06)	(0.05)	(0.66)	(0.09)	-	(0.65)	-	(0.01)	(10.93)	-	-	-	-
Balance As at 31st March, 2024	**-**	**230.60**	**7,791.49**	**13.84**	**22.13**	**132.43**	**18.53**	**2.31**	**1,373.84**	**0.46**	**20.30**	**9,605.93**	**102.48**	**-**	**0.00**	**102.48**

(₹ in Crores)

Description of Assets	Tangible Assets												Intangible Assets			
	Land (Free hold)	Building	Plant and Equipment	Furniture and Fixtures	Office Equipment	Computer Equipment	Vehicles	Railway Slidings	Distribution System	Jetties	Electrical Installation	Total	Computer Software	Transmission and distribution License	Other Intangible Assets	Total
Net Carrying Value :																
As at 31st March, 2023	**2,899.20**	**1,008.48**	**20,300.03**	**12.73**	**22.03**	**132.67**	**61.89**	**4.80**	**5,815.62**	**0.99**	**36.84**	**30,295.28**	**66.39**	**1,032.96**	**-**	**1,099.35**
As at 31st March, 2024	**3,009.72**	**1,140.78**	**25,801.26**	**12.57**	**21.48**	**134.30**	**60.70**	**4.39**	**6,214.87**	**0.90**	**35.77**	**36,436.74**	**61.63**	**1,032.96**	**7.01**	**1,101.60**

Notes:

(i) The above Intangible Assets are other than internally generated Intangible Assets.

(ii) The Transmission & Distribution Licenses was acquired as a part of the business acquisition. The licenses are valid for a period of 25 years & considering similar extensions have happened in the past, it is expected to be further extended at minimal cost. Based on an analysis of all of the relevant factors, the licenses are considered by the Group as having an indefinite useful life.

For charge created on aforesaid assets, refer note 22.

5.2 Right of Use Assets (₹ in Crores)

Description of Assets	Leasehold Land	Building	Right of Way	Computer Equipment	Total
I. Gross Carrying Amount					
Balance as at 1st April, 2022	**620.83**	**102.89**	**40.16**	**1.55**	**765.43**
Additions	2.42	0.06	7.18	-	9.66
Disposals	-	-	-	-	-
Balance As at 31st March, 2023	**623.25**	**102.95**	**47.34**	**1.55**	**775.09**
Additions	1.34	0.27	150.00	-	151.61
Disposals	-	-	-	-	-
Acquisitions of subsidiaries	8.84	-	-	-	8.84
Balance As at 31st March, 2024	**633.43**	**103.22**	**197.34**	**1.55**	**935.54**
II. Accumulated Depreciation / Amortization					
Balance as at 1st April, 2022	**21.89**	**63.24**	**6.63**	**0.67**	**92.43**
Depreciation / Amortisation Expense	12.36	14.00	3.78	0.30	30.44
Eliminated on disposal of assets	-	-	-	-	-
Balance As at 31st March, 2023	**34.25**	**77.24**	**10.41**	**0.97**	**122.87**
Depreciation / Amortisation Expense	12.68	10.47	6.11	0.30	29.56
Eliminated on disposal of assets	-	-	-	-	-
Balance As at 31st March, 2024	**46.93**	**87.71**	**16.52**	**1.27**	**152.43**

Net Carrying Value :					
As at 31st March, 2023	**589.00**	**25.71**	**36.93**	**0.58**	**652.22**
As at 31st March, 2024	**586.50**	**15.51**	**180.82**	**0.28**	**783.11**

5.3 Capital Work-In-Progress (₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening Balance	6,200.44	5,060.16
Additions during the year	4,856.02	5,053.60
Additions on account of acquisition of subsidiaries	0.35	85.16
Capitalised during the year	(8,054.12)	(3,998.48)
Closing Balance	**3,002.69**	**6,200.44**

Notes :

(i) CWIP Ageing Schedule (₹ in Crores)

Particulars	Amount in CWIP for a period of				
	<1 year	1-2 years	2-3 years	> 3 years	Total
Capital-work-in progress ageing schedule:					
As at 31st March, 2024					
- Projects in progress	1,773.25	813.08	293.45	122.91	**3,002.69**
- Projects temporarily suspended	-	-	-	-	**-**
Total	**1,773.25**	**813.08**	**293.45**	**122.91**	**3,002.69**
As at 31st March, 2023					
- Projects in progress	4,128.91	1,792.89	222.72	54.22	**6,198.74**
- Projects temporarily suspended	0.97	0.67	0.00	0.06	**1.70**
Total	**4,129.88**	**1,793.56**	**222.72**	**54.28**	**6,200.44**

5.4 Depreciation and Amortisation Expense (₹ in Crores)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Depreciation on Tangible Assets	1,714.05	1,555.24
Amortisation of Intangible Assets	40.09	28.68
Depreciation / Amortisation of Right of Use	29.56	30.44
Less : Transferred to Capital work in progress	(7.62)	(6.62)
Total	**1,776.08**	**1,607.74**

6 Non Current Investments

		As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
Investment in Government Securities at amortised cost			
Contingency Reserve Investment (Quoted)		323.79	312.89
	Total	**323.79**	**312.89**
Aggregate book value of Quoted Investments		**323.79**	**312.89**
Aggregate market value of Quoted Investments		**309.38**	**290.60**

7 Non Current Loans- At Amortised Cost

		As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
(Secured, Considered good)			
Housing loans to employee against Hypothecation of the property		13.38	17.14
(Unsecured, Considered good)			
Loan to employees		9.13	8.96
	Total	**22.51**	**26.10**

8 Non-current Financial Assets- Others

		As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
Balances held as Margin Money or security against borrowings*		1,622.66	1,100.85
Receivables Under Service Concession Arrangement (SCA)		969.91	1,028.45
Unbilled Revenue		201.68	867.00
Derivative instruments		925.04	899.65
Security deposit - Considered Good		36.65	53.98
Security deposit - Considered doubtful		6.37	6.63
Interest receivable		5.51	3.35
Other Receivable		79.67	21.42
	Total	**3,847.49**	**3,981.33**
Less : Provision For Doubtful Deposits		(6.37)	(6.63)
	Total	**3,841.12**	**3,974.70**

* Represents deposits Amount towards Debt Service Reserve Account (DSRA) and Capex Reserve Account (CRA)

9 Income Tax Assets (Net)

		As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
Income Tax Assets (Net)		57.55	60.78
	Total	**57.55**	**60.78**

10 Other Non-current Assets

		As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
Advance to Employees		1.76	3.96
Capital advances (Considered Good)		1,205.22	770.26
Contract Assets		602.02	-
Prepaid Expenses		1.41	84.36
Deferred Assets (recoverable) / adjustable (Refer Note 28)		942.45	946.26
	Total	**2,752.86**	**1,804.84**

11 Inventories
(At lower of Cost and Net Realisable Value)

		As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
Fuel		98.84	39.78
Fuel - in Transit		38.47	17.00
Stores & spares		117.97	95.13
	Total	**255.28**	**151.91**

12 Current Investments

		As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
Investment in Mutual Funds units at FVTPL (Unquoted)		392.30	1,020.43
	Total (a)	**392.30**	**1,020.43**
Investments in Government Securities (Quoted) at amortised cost			
Contingency Reserve Investment (Quoted)		15.83	10.58
	Total (b)	**15.83**	**10.58**
Treasury Bills at FVTPL (Quoted)		34.56	25.78
	Total (c)	**34.56**	**25.78**
	Total (a) + (b) + (c)	**442.69**	**1,056.79**
Aggregate book value of Quoted Investments		**50.39**	**36.36**
Aggregate market value of Quoted Investments		**50.81**	**36.29**

13 Trade Receivables	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
Secured, Considered good	133.74	127.37
Unsecured, Considered good	1,394.93	1,270.22
Having significant increase in credit risk	36.28	40.00
Credit Impaired	24.45	24.45
	1,589.40	**1,462.04**
Less : Provision for doubtful Trade receivables	(24.45)	(24.45)
Total	**1,564.95**	**1,437.59**

13.1 Trade Receivable Ageing Schedule

As at 31st March, 2024 (₹ in Crores)

Particulars	Not Due	Outstanding for following periods from due date of payment: Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	628.81	746.53	120.18	20.72	9.20	0.30	**1,525.74**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	16.99	9.92	3.62	5.72	-	-	**36.25**
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	14.39	-	0.45	**14.84**
(iv) Disputed Trade Receivables considered good	0.43	1.69	0.40	0.41	-	-	**2.93**
(v) Disputed Trade Receivables - which have significant increase in credit risk	0.03	-	-	-	-	-	**0.03**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	9.61	**9.61**
Total	**646.26**	**758.14**	**124.20**	**41.24**	**9.20**	**10.36**	**1,589.40**

As at 31st March, 2023 (₹ in Crores)

Particulars	Not Due	Outstanding for following periods from due date of payment: Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables –considered good	570.85	796.21	13.04	13.93	0.28	0.02	**1,394.33**
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	17.23	14.72	2.87	5.15	-	-	**39.97**
(iii) Undisputed Trade Receivables –credit impaired	13.00	-	-	1.39	-	0.45	**14.84**
(iv) Disputed Trade Receivables considered good	0.92	1.54	0.32	0.48	-	-	**3.26**
(v) Disputed Trade Receivables - which have significant increase in credit risk	0.03	-	-	-	-	-	**0.03**
(vi) Disputed Trade Receivables –credit impaired	-	-	-	-	-	9.61	**9.61**
Total	**602.03**	**812.47**	**16.23**	**20.95**	**0.28**	**10.08**	**1,462.04**

Movement in the allowance for doubtful trade receivables	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
Balance at the beginning of the year	24.45	11.89
Add/(Less) : Provision made / (Written off) during the year (net of recoveries)	0.00	12.56
Balance at the end of the year — **Total**	**24.45**	**24.45**

Notes :

(i) The Group holds security deposits (refer note 31) in respect of trade receivables of Distribution business. Trade receivables to the extent covered by such deposits are presented as secured.

(ii) The average credit period for the Group's receivables from its distribution business is in the range of 15 to 30 days. No interest or delayed payment is charged on trade receivables till the due date. Thereafter, one time delayed payment charges at the rate of 1.25% & interest after 30 / 60 days from bill date is charged in the range of 12% to 15% per annum.

(iii) The average credit period for the Group's receivables from its Transmission business is in the range of 30 to 60 days. No interest or delayed payment is charged on trade receivables till the due date. Thereafter, delayed interest charges, after 30 / 60 days from bill date is charged in the range of 12% to 15% per annum. For Transmission business, regulator approved tariff / Transmission Service charges is receivable from long-term transmission customers (LTTCs) that are highly rated companies or government parties. Counterparty credit risk with respect to these receivables is very minimal.

(iv) The Group considers for impairment its receivables from customers in its Distribution business. The risk of recovery in these businesses is reduced to the extent of security deposits already collected and held as collateral. Balance amount receivable over and above the deposit is assessed for expected credit loss allowances. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experienced and adjusted for forward- looking information. The expected credit loss allowance is based on ageing of the days the receivables are due and been calculated and applied at the respective entity level of the group.

(v) Above trade receivables are pledged as security with the Lenders against borrowings. (Refer note 22)

(vi) The concentration of credit risk is very limited due to the fact that the large customers are mainly government bodies / departments and remaining customer base is large and widely dispersed and secured with security deposit.

14	Cash and Cash Equivalents	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
	Balances with banks		
	In current accounts	225.15	152.55
	Fixed Deposits (with original maturity for three months or less)	501.35	23.53
	Cheques / Drafts on Hand	14.18	14.13
	Cash on Hand	1.38	0.43
	Total	**742.06**	**190.64**

Note : Cash and cash equivalents include balances with banks which are unrestricted for withdrawal and usage for respective companies.

For charge created on aforesaid assets, refer note 22.

15	Bank Balance other than Cash and Cash Equivalents	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
	Balances held as Margin Money or security against borrowings	734.62	833.70
	Fixed Deposits (with original maturity of more than 3 months)	751.46	679.80
	Total	**1,486.08**	**1,513.50**

For charge created on aforesaid assets, refer note 22.

16	Current Financial Assets - Loans (At Amortised Cost)	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
	(Unsecured, Considered good)		
	Loans to employees	4.81	5.03
	Loans to Others (towards acquisition) (Refer Note 58)	-	69.17
	(Secured, Considered good)		
	Housing loans to employee against Hypothecation of the property	2.97	3.00
	Loans to Others (interest bearing loan towards acquisition) (Refer Note 58)	400.00	400.00
	Total	**407.78**	**477.20**

17	Current Financial Assets- Others	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
	Interest receivable	84.61	45.26
	Unbilled Revenue	2,179.59	1,719.26
	Receivables Under Service Concession Arrangement (SCA)	62.11	62.38
	Security deposit	12.82	13.33
	Derivative instruments	3.82	27.21
	Other Receivables	17.82	38.95
	Total	**2,360.77**	**1,906.39**

18	Other Current Assets	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
	Advance to Suppliers (Unsecured, Considered Good)	218.86	127.36
	Advance for Acquisition of SPV (Unsecured, Considered Good)	69.17	6.35
	Balances with Government authorities	108.04	24.75
	Contract Assets	290.87	-
	Security Deposit	51.44	-
	Prepaid Expenses	40.19	46.34
	Advance to Employees	8.58	4.21
	Total	**787.15**	**209.01**

19 Equity Share Capital

		As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
Authorised Share Capital 1,50,00,00,000 (As at 31st March 2023-1,50,00,00,000) equity shares of ₹ 10 each.		1,500.00	1,500.00
	Total	**1,500.00**	**1,500.00**
Issued, Subscribed and Fully paid-up equity shares 1,11,54,92,683 (As at 31st March 2023- 1,11,54,92,683) fully paid up equity shares of ₹ 10 each.		1,115.49	1,115.49
	Total	**1,115.49**	**1,115.49**

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

	As at 31st March, 2024		As at 31st March, 2023	
Equity Shares	**No. Shares**	**(₹ in Crores)**	**No. Shares**	**(₹ in Crores)**
At the beginning of the year	1,11,54,92,683	1,115.49	1,09,98,10,083	1,099.81
Issued during the year	-	-	1,56,82,600	15.68
Outstanding at the end of the year	**1,11,54,92,683**	**1,115.49**	**1,11,54,92,683**	**1,115.49**

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

	As at 31st March, 2024		As at 31st March, 2023	
Particulars	**No. Shares**	**% holding in the class**	**No. Shares**	**% holding in the class**
Equity shares of ₹ 10 each fully paid				
Shri Gautam S. Adani / Shri Rajesh S. Adani (On the behalf of S.B. Adani Family Trust)	60,16,34,660	53.94%	60,16,34,660	53.94%
Adani Tradeline Private Limited (Formerly Known as Adani Tradeline LLP)	9,58,04,325	8.59%	9,94,91,719	8.92%
	69,74,38,985	**62.53%**	**70,11,26,379**	**62.86%**

d. Details of Shareholding of Promoters

Particulars	**No. of shares**	**% of total shares**	**% Change during the year**
As at 31st March, 2024			
Shri Gautambhai Shantilal Adani	1	0.00%	-
Shri Rajeshbhai Shantilal Adani	1	0.00%	-
Shri Gautam S. Adani / Shri Rajesh S. Adani (on behalf of S. B. Adani Family Trust)	60,16,34,660	53.94%	-
Adani Tradeline Private Limited (Formerly Known as Adani Tradeline LLP)	9,58,04,325	8.59%	-3.71%
Afro Asia Trade and Investments Limited	3,02,49,700	2.71%	-
Fortitude Trade and Investment Limited	-	-	-100.00%
Worldwide Emerging Market Holding Limited	3,02,49,700	2.71%	-
Flourishing Trade And Investment Limited	36,88,000	0.33%	-
Gelt Bery Trade and Investment Limited	5,51,33,600	4.94%	55133500.00%
	81,67,59,987	**73.22%**	
As at 31st March, 2023			
Shri Gautambhai Shantilal Adani	1	0.00%	0.00%
Shri Rajeshbhai Shantilal Adani	1	0.00%	0.00%
Shri Gautam S. Adani / Shri Rajesh S. Adani (on behalf of S. B. Adani Family Trust)	60,16,34,660	53.94%	-3.15%
Shri Gautam S. Adani / Smt. Priti G. Adani (on behalf of Gautam S. Adani Family Trust)	-	0.00%	-100.00%
Adani Tradeline Private Limited (Formerly Known as Adani Tradeline LLP)	9,94,91,719	8.92%	0.00%
Afro Asia Trade and Investments Limited	3,02,49,700	2.71%	0.00%
Fortitude Trade and Investment Limited	3,39,17,200	3.04%	12.12%
Worldwide Emerging Market Holding Limited	3,02,49,700	2.71%	0.00%
Flourishing Trade And Investment Limited	36,88,000	0.33%	0.00%
Gelt Bery Trade and Investment Limited	100	0.00%	100.00%
	79,92,31,081	**71.65%**	

20 Unsecured Perpetual Equity Instrument

	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
Opening Balance	-	3,055.65
Add: Availed during the year	-	-
(Less): Repaid during the year	-	(3,075.46)
Add: Distribution on Unsecured Perpetual Equity Instrument (Net of Tax)	-	19.81
Closing Balance	**-**	**-**

Adani Energy Solutions Limited (Formerly Known as Adani Transmission Limited (Parent Company)) had issued Unsecured Perpetual Equity Instrument (the "Instrument") to Adani Infra (India) Limited. These Instrument are perpetual in nature with no maturity or redemption and are callable only at the option of the Parent company. During the previous year parent company has repaid ₹ 3,075.46 Crores to Adani Infra (India) Limited including distribution on perpetual equity instrument.

21	Other Equity		As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
a.	**Capital Reserve (Refer note (i) below)**			
	Opening Balance		208.87	208.87
	Add : Addition during the year		-	-
	Closing Balance	**Total (a)**	**208.87**	**208.87**
b.	**Effective portion of cashflow Hedge (Refer note (ii) below)**			
	Opening Balance		(599.54)	(409.86)
	Impact on account of restatement (Refer Note 61)		-	69.56
	Effective portion of cash flow hedge for the year		(246.01)	(259.24)
	Closing Balance	**Total (b)**	**(845.55)**	**(599.54)**
c.	**General Reserve (Refer note (iii) below)**			
	Opening Balance		1,176.94	1,201.95
	Less: Appropriation to Self Insurance Reserve		(24.67)	(25.01)
	Closing Balance	**Total (c)**	**1,152.27**	**1,176.94**
d.	**Capital Redemption Reserve (Refer note (iv) below)**			
	Opening Balance		2,436.53	2,436.53
	Add : Addition during the year		-	-
	Closing Balance	**Total (d)**	**2,436.53**	**2,436.53**
e.	**Debenture Redemption Reserve (Refer note (v) below)**			
	Opening Balance		25.04	11.15
	Transfer from/(to) Retained Earning		(0.65)	13.89
	Closing Balance	**Total (e)**	**24.39**	**25.04**
f.	**Contingency Reserve (Refer note (vi) below)**			
	Opening Balance		358.48	334.89
	Addition during the year		23.24	23.59
	Closing Balance	**Total (f)**	**381.72**	**358.48**
g.	**Self Insurance Reserve (Refer note (vii) below)**			
	Opening Balance		43.66	18.65
	Addition during the year		24.67	25.01
	Closing Balance	**Total (g)**	**68.33**	**43.66**
h.	**Retained Earnings (Refer note (viii) below)**			
	Opening Balance		3,149.38	1,955.18
	Add : Profit for the year		1,137.28	1,256.33
	Add / (Less) : Other comprehensive income arising from remeasurement of Defined Benefit Plans		(0.64)	(6.67)
	(Less) : Distribution on Unsecured Perpetual Equity Instrument		-	(19.83)
	(Less) : Transfer to Contingency reserve		(21.49)	(21.74)
	Add / (Less) : Transfer to Debenture Redemption Reserve		0.65	(13.89)
	Closing Balance	**Total (h)**	**4,265.18**	**3,149.38**
i.	**Securities Premium Account (Refer note (ix) below)**			
	Opening Balance		3,834.32	-
	Add: Addition on account of issue of shares during the year		-	3,834.32
	Closing Balance	**Total (i)**	**3,834.32**	**3,834.32**
		Total (a+b+c+d+e+f+g+h+i)	**11,526.06**	**10,633.68**

Notes :

i) It has been created on acquisition of subsidiary companies.

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

iii) It has been created pursuant to the demerger of transmission undertaking of Adani Enterprises Limited into the company. The general reserve is used from time to time to transfer profit from retained earnings for apportion purposes.

iv) Under the provisions of Section 55 of the Companies Act, 2013 where the redemption of preference shares is out of profits, an amount equal to nominal value of shares redeemed is to be transferred to a reserve called 'capital redemption reserve'

v) The Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), requires the company to create DRR out of profits available for payment of dividend. The DRR is created over the life of debentures out of retained earnings.

vi) As per the provisions of MERC MYT Regulations read with Tariff orders passed by MERC, the Group being a Distribution and Transmission Licensee, makes an appropriation to the Contingency Reserve fund to meet with certain exigencies.

vii) The company has decided that insurance of the transmission lines of subsidiary companies would be through the self-insurance to mitigate the loss of assets hence a reserve has been created. The insurance of sub stations of subsidiary companies are covered through insurance companies under all risk policy.

viii) Retained earnings (in the event of availability of profits) represents the amount that can be distributed by the Company as dividends considering the requirements of the Companies' Act, 2013.

The Board of Directors of Adani Electricity Mumbai Limited (subsidiary of the company) in their meeting held on 26th May, 2023, have declared interim dividend of ₹ 0.85 per equity share of ₹ 10 each for the financial year 2022-23 amounting to ₹ 341.77 Crores. The Company has paid dividend after obtaining the necessary approvals.

ix) The Group during the previous year has received an aggregate consideration of ₹ 3,850.00 Crores from Green Transmission Investment Holding RSC Limited towards subscription of 1,56,82,600 equity shares of the company of the face value of ₹ 10 each at price of ₹ 2,454.95 per equity share which includes a premium of ₹ 2,444.95 per equity share aggregating to ₹ 3,834.32 Crores.

22 Non current Financial Liabilities - Borrowings

	Non-current		Current	
	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
Secured				
Bonds				
5.20% US private Placement	2,819.80	2,873.16	96.89	95.43
4.25% USD Bonds	3,000.13	3,199.24	247.72	244.02
3.949% USD Bonds	7,289.87	8,158.69	-	-
4.00% USD Bonds	4,140.25	4,067.04	-	-
3.867% Sustainability Linked Notes	2,480.45	2,440.41	-	-
Term Loans				
From Banks				
Rupee loan	3,191.63	2,495.12	155.21	130.36
Foreign currency loan	2,809.79	1,845.07	145.04	59.99
From Financial Institutions	3,285.26	1,962.15	110.52	107.84
Trade Credits & Buyers Credit				
From Banks	-	717.11	-	-
Non Convertible Debentures	907.24	89.43	46.06	10.56
Unsecured				
Non Convertible Debentures	-	963.74	99.94	33.62
Loans and advances from related parties	1,307.32	229.71	-	-
Shareholders Affiliated Debts	2,327.88	2,289.52	-	-
Total	**33,559.62**	**31,330.39**	**901.38**	**681.82**
Amount disclosed under the head 'Current Financial Liabilities - Borrowings' (Refer Note 29)	-	-	(901.38)	(681.82)
Net amount	**33,559.62**	**31,330.39**	**-**	**-**

Note (i)

<table>
<tr><th>Borrowings</th><th>Security</th><th>Terms of Repayment</th></tr>
<tr><td>4.25% USD Bonds</td><td rowspan="2">4.00% USD Bonds, 4.25% USD Bonds are secured by way of first ranking pari passu charge in favour of the Security trustee (for the benefit of the Bond holders):
(a) Mortgage of land situated at Sanand.
(b) Hypothecation of all the assets (movable and immovable) including current assets of the Adani Transmission Step-One Limited.
(c) Pledge over 100% equity shares of Adani Transmission (India) Limited (ATIL) and Maharashtra Eastern Grid Power Transmission Company Limited (MEGPTCL), both are wholly owned subsidiaries of the company.
(d) All assets (moveable and immovable) of ATIL & MEGPTCL including its current assets.
(e) Assignment by way of security over loans given to ATIL & MEGPTCL. All its rights under the inter entity loan agreements entered or to be entered into between the Issuer, ATIL and MEGPTCL (the "Inter Entity Loans")
(f) Corporate guarantee given by the Adani Energy Solutions Limited.</td><td>392.50 Million USD Bonds aggregating to ₹ 3,273.65 Crores (31st March, 2023- 422.50 Million USD Bonds aggregating to ₹ 3,471.68 Crores) are redeemable by Half yearly payment starting from May 2020 to May 2036.</td></tr>
<tr><td>4.00% USD Bonds</td><td>500 Million USD Bonds aggregating to ₹ 4,170.25 Crores (31st March, 2023 - 500 Million USD Bonds aggregating to ₹ 4,108.50 Crores) are redeemable by bullet payment in FY 2026.</td></tr>
<tr><td>3.949% USD Bonds</td><td rowspan="2">a) a first pari passu mortgage over certain Identified immovable Properties;
b) a first pari passu charge on the movable assets of the AEML (both present and future);
c) a first pari passu charge on all book debts, operating cash flows, receivables (excluding Past Period Regulatory Assets, monies in the Debenture Liquidity Account and the post distribution cash flows), commissions or revenues whatsoever arising out of the expansion or capex in relation to existing business of AEML (both present and future);
d) a first pari passu charge on the Accounts under the Project Accounts Deed (except the Excluded Accounts (which means the AEML PPRA Account, the Debenture Liquidity Account, each of the AEML Post Distribution Cash Flow Accounts; any accounts opened for the purpose of managing any Excluded Cash Flows; and the AEML Distributions Account)) and amounts lying to the credit of such Accounts (both present and future);
e) a first pari passu assignment in relation to Transmission License and Distribution License, subject to approval from the MERC;
f) a pledge over 100% of the entire paid up equity and preference share capital of the AEML;
g) a non-disposal undertaking over immovable properties other than certain identified immovable properties;
h) a non-disposal undertaking over the immovable and movable assets (including all book debts, operating cash flows, receivables, commissions or revenues whatsoever) of Power Distribution Services Limited (PDSL) (both present and future); and
i) a non-disposal undertaking over 100% of the equity and preference share capital of PDSL.

In addition to the aforesaid, the Collateral shall also include such security interest as may be required to be created by other group entities of the Issuer in the future, and such collateral may be shared in the same manner as aforementioned with other lenders of AEML, and such future obligors.

Ranking of Security
The Collateral will be a first charge ranking pari passu among the debt security holders, without any preference or priority and shall rank pari passu with all the senior secured debt of AEML in accordance with the Senior Secured Note Documents and the intercreditor agreement.</td><td>3.949% Bond amounting to ₹ 7,339.64 Crores (31st March, 2023 ₹ 8,217.01 Crores) is repayable by way of bullet payment in February 2030 with an obligation to prepay the debt on occurrence of certain events. AEML can voluntarily prepay the Bond on payment of premium.</td></tr>
<tr><td>Sustainability Linked Notes - 3.867%</td><td>By way of bullet payment in July 2031 with an obligation to prepay the debt on occurrence of certain events. AEML can voluntarily prepay the Bond on payment of premium.</td></tr>
</table>

6.365% Shareholders Affiliated Debts	(i) First-ranking fixed charge over all its present and future right, title, benefit and interest in the Excluded Loan Accounts (ii) First-ranking floating charge over all of its present and future right, title, benefit and interest in the equity distribution account	Shareholders Affiliated Debts are repayable commencing from February 2027 through February 2040 with an obligation to prepay the debt on occurrence of certain events. AEML can voluntarily prepay the debt on payment of premium.
Rupee Term Loans, Foreign Currency Loans, Rupee Term Loan from Financial Institution and Letter of credits/Buyers Credit	Availed by the Group from various banks and financial institutions are secured by a pari passu charge on all present and future movable and immovable assets, receivables, project documentation, cash flows, licences, insurance contracts and approval. Respective companies shares are pledged.	**(A) Letter of credits (Foreign and Inland)** from bank of Nil (31st March, 2023 - ₹ 717.11 Crores) carry interest rates ranging from 7.20 % to 8.00% p.a. **(B) Rupee term loans** from Banks of ₹ 3,362.38 Crores (31st March, 2023 ₹ 2,651.60 Crores) and Rupee Term Loan from Financial Institution of ₹ 3,433.56 Crores (31st March, 2023 ₹ 2,082.38 Crores) carry interest rates ranging from 9.10% to 11.75%. The loan is repayable at different maturities ending on FY 2048-49. **(C) Foreign Currency loan (ECB Loan) from bank** (i) aggregating ₹ 80.58 Crores (as at 31st March 2023 :- ₹ 87.64 Crores carries an Interest @ 3 Months Euribor plus 1.52% per annum. The loan is repayable in quarterly installments commencing from 18th December 2017 which initial tenure was ending in August 2022 but extended with effect of supplemental agreement as on 08th August 2022 to August 2027 for additional five years. (ii) aggregating to ₹ 2,255.68 Crores (As on 31st March 2023 - ₹ 1,846.36 Crores), having an interest rate of 6 Month Libor (2.50 - 3.50% p.a. Initial Margin + Spread) .The repayment schedule will start from FY 2023-24 with Semi Annually installment with First Installament due on May-23 and will end on FY 2025-26. (iii) aggregating to ₹ 708.94 Crores (As on 31st March 2023 - Nil), having an interest rate of SOFR + Spread (3.5626 to 3.92826) repayable by way of bullet repayment in July 2027.
5.20% US private Placement	5.20% US private Placement Notes are issued by six (6) transmission companies of USPP Group.The Notes are secured/to be secured by first ranking charge on receivables, on all immovable and movable assets, charge or assignment of rights under Transmission Service Agreement and other project documents, charge or assignment of rights and/or designation of the Security Trustee as loss payee under each insurance contract in respect of Project. The Notes are also secured by way of pledge over 100% of shares of the company held by Holding Company, i.e. Adani Energy Solutions Limited.	5.20%, 352.80 Million USD Denominated Notes aggregating to ₹ 2,942.53 Crores, (31st March, 2023- 364.60 Million USD Denominated Notes aggregating to ₹ 2,995.93 Crores) which has a semi-annual repayment schedule with first repayment in the month of Sep-2020 and semi-annually then after over the period of its tenor ending March-2050.
Non Convertible Debentures	Non Convertible Debentures are secured by having first charge over receivables, immovable and movable assets created out of project on pari passu basis with other secured lenders.	NCD aggregating to ₹ 90.03 Crores (as at 31st March, 2023 - ₹ 100.65 Crores) having an interest rate of 8.91% to 9.61% p.a. which is governed by NCD agreement and redeemable in quarterly basis starting from FY 2018-19 to FY 2033-34.
Non Convertible Debentures	Non-Convertible Debentures are secured by having first charge over movable/intangible assets created out of project on pari passu basis.	NCD aggregating to ₹ 873.00 Crores (as at 31st March, 2023 - ₹ 908.00 Crores) having an interest rate of 7.95% to 8.27% p.a. which is governed by NCD agreement and redeemable in quarterly basis starting from FY 2022-23 to FY 2040-41.
Non Convertible Debentures	Unsecured	NCD aggregating to ₹ 100.00 Crores (as at 31st March, 2023 - ₹ 100.00 Crores) having an interest rate of 8.50% p.a. which is governed by NCD agreement and redeemable by way of bullet repayment in December - 2024.
Unsecured Loan from Related Party	Unsecured Long term Loan	Inter-corporate loan ₹ 1,307.32 Crores (as at 31st March 2023 :- ₹ 229.71 Crores) from Related party is unsecured and carries interest at the rate of 9.5% to 11.05 % p.a. and repayable from range of FY 2025-26 to 2027-28.

Note (ii) - During the year the Group has complied with all the covenants as required under bond agreements / lender facility agreements.

23 Lease Liabilities

	Non-Current		Current	
	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
Lease Liabilities	45.49	51.69	15.29	19.50
Total	**45.49**	**51.69**	**15.29**	**19.50**

24 Non Current Trade Payable

	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
(A) total outstanding dues of micro enterprises and small enterprises; and	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	37.39	32.76
Total	**37.39**	**32.76**

25 Non Current Financial Liabilities - Others

	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
Payable on purchase of Property, Plant and Equipment	301.27	219.96
Derivative instruments	80.81	4.40
Other Payable towards Bilateral Charges & Liquidated Damages	130.65	114.14
Deposits from customer and Other	0.39	0.34
Total	**513.12**	**338.84**

26 Other Non Current Liabilities

	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
Deferred Revenue- Service Line Contributions from Consumers	420.37	332.96
Total	**420.37**	**332.96**

27 Provisions

	Non-Current		Current	
	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
Provision for Gratuity (Refer note 52)	222.62	165.37	33.99	29.64
Provision for Compensated Absences	390.42	345.22	33.49	72.18
Provision for Other Employment Benefits	17.19	17.14	1.78	1.82
Provision for Stamp Duty	-	-	15.65	15.65
Provision towards Encashed Bank Guarantee	-	-	13.60	-
Total	**630.23**	**527.73**	**98.51**	**119.29**

28	Deferred Tax Assets / Liabilities (net)		As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
	Deferred Tax Assets (net)		**40.43**	**-**
	Deferred Tax Liabilities (net)		**1,652.78**	**1,424.32**
	Deferred Tax Liabilities			
	Mark to Market Gain on Mutual Funds		(1.09)	(0.64)
	Difference between book base and tax base of property, plant and equipment and SCA		(4,119.98)	(3,529.68)
	Deferred Tax Liabilities	**(a)**	**(4,121.07)**	**(3,530.32)**
	Deferred Tax Assets			
	Provision for Employee Benefits		261.66	209.60
	Lease Liabilities		0.25	0.22
	Provision for Bilateral Charges		28.22	-
	Unabsorbed Depreciation		1,878.20	1,639.31
	Unabsorbed Business Losses & MAT Credit Entitlement		47.89	62.39
	Allowance for Doubtful Debts, Deposits, Advances and property tax payable		16.33	11.93
	Hedge Reserve		276.17	182.55
	Deferred Tax Assets	**(b)**	**2,508.72**	**2,106.00**
	Deferred Tax Assets/(Liabilities)	**Total (a + b)**	**(1,612.35)**	**(1,424.32)**

Tariff regulations provide for the recovery of Income Tax from the beneficiaries / consumers by way of grossing up the return on equity based on effective tax rate for the financial year. Accordingly, deferred tax liability provided during the year which is fully recoverable from beneficiaries / consumers is disclosed as "deferred assets recoverable / adjustable". The same will be recovered when the related deferred tax liability get converted into current tax.

a. Movement in deferred tax assets/ (liabilities) (net) for the Financial Year 2023-24

(₹ in Crores)

Particulars	Opening Balance as at 1st April, 2023	Recognised in profit and loss	Acquisitions of subsidiaries	Recognised in OCI	Closing Balance as at 31st March, 2024	Deferred Tax Assets (Net)	Deferred Tax Liablities (Net)
Tax effect of items constituting deferred tax liabilities:							
Mark to Market gain on Mutual Funds	(0.64)	(0.45)	-	-	(1.09)	(0.12)	(0.97)
Difference between book base and tax base of property, plant and equipment and SCA	(3,529.68)	(590.30)	-	-	(4,119.98)	(178.82)	(3,941.16)
Total	**(3,530.32)**	**(590.75)**	**-**	**-**	**(4,121.07)**	**(178.94)**	**(3,942.13)**
Tax effect of items constituting deferred tax assets:							
Provision for Employee Benefits	209.60	52.18	-	(0.12)	261.66	1.80	259.86
Provision for Bilateral Charges	-	28.22			28.22	21.53	6.69
Lease Liabilities	0.22	0.03	-	-	0.25	-	0.25
Unabsorbed Depreciation	1,639.31	238.89	-	-	1,878.20	195.34	1,682.86
Unabsorbed Business Losses & MAT Credit Entitlement	62.39	(14.50)	-	-	47.89	0.70	47.19
Allowance for Doubtful Debts, Deposits and Advances	11.93	4.40	-	-	16.33	-	16.33
Hedge Reserve	182.55	-	-	93.62	276.17	-	276.17
Total	**2,106.00**	**309.22**	**-**	**93.50**	**2,508.72**	**219.37**	**2,289.35**
Net Deferred Tax Asset / (Liabilities)	**(1,424.32)**	**(281.53)**	**-**	**93.50**	**(1,612.35)**	**40.43**	**(1,652.78)**

b. Movement in deferred tax assets/ (liabilities) (net) for the Financial Year 2022-23

(₹ in Crores)

Particulars	Opening Balance as at 1st April, 2022	Recognised in profit and loss	Acquisitions of subsidiaries	Recognised in OCI	Closing Balance as at 31st March, 2023	Deferred Tax Assets (Net)	Deferred Tax Liablities (Net)
Tax effect of items constituting deferred tax Liabilities:							
Mark to Market gain on Mutual Funds	(0.31)	(0.33)	-	-	(0.64)	-	(0.64)
Difference between book base and tax base of property, plant and equipments and SCA	(3,076.32)	(453.36)	-	-	(3,529.68)	-	(3,529.68)
Total	**(3,076.63)**	**(453.69)**	**-**	**-**	**(3,530.32)**	**-**	**(3,530.32)**
Tax effect of items constituting deferred tax assets:							
Provision for Employee Benefits	220.69	(11.11)	-	0.02	209.60	-	209.60
Lease Liabilities	0.13	0.09	-	-	0.22	-	0.22
Unabsorbed Depreciation	1,387.65	251.66	-	-	1,639.31	-	1,639.31
Unabsorbed Business Losses & MAT Credit Entitlement	27.97	34.42	-	-	62.39	-	62.39
Allowance for Doubtful Debts, Deposits and Advances	7.70	4.23	-	-	11.93	-	11.93
Hedge Reserve*	110.91	0.01	-	71.64	182.55	-	182.55
Total	**1,755.05**	**279.30**	**-**	**71.66**	**2,106.00**	**-**	**2,106.00**
Net Deferred Tax Liabilities	**(1,321.58)**	**(174.39)**	**-**	**71.66**	**(1,424.32)**	**-**	**(1,424.32)**

*Refer Note 61

Note (i) - Deferred income taxes are not provided on the undistributed earnings of subsidiaries where it is expected that earnings of the subsidiary will not be distributed in the foreseeable future and the company controls the timing of reversal of this temporary differences.

29 Current Financial Liabilities - Borrowings

		As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
Secured			
From Banks			
Working Capital Loan / Cash Credit / Bank Overdraft		2,112.02	1,541.03
Rupee Loan		320.00	220.00
	Total (a)	**2,432.02**	**1,761.03**
Unsecured			
From Banks			
Rupee loan		115.85	425.60
	Total (b)	**115.85**	**425.60**
Current maturities of long-term borrowings (Refer note 22)	**Total (c)**	**901.38**	**681.82**
	Total (a+b+c)	**3,449.25**	**2,868.45**

Notes :

Borrowings	Security	Terms of Repayment
Working Capital Loan / Cash Credit / Bank Overdraft	i) First charge on receivables and on immovable and movable assets created out of project on paripassu basis. ii) First pari passu charge on current assets (charge on receivable, cash, bank accounts) as well as non-current assets (i.e. investment, loans in group companies or other entities) of the respective company.	Loan aggregating ₹ 2,112.02 Crores (31st March, 2023- ₹ 1,541.03 Crores) from banks at the rate of interest ranges from 7.60% to 10.00% p.a.
Secured Loan from banks	First pari passu charge by way of hypothecation over all current assets of Adani Transmission Step-One Limited (ATSOL) and its subsidiaries viz, Adani Transmission (India) Limited (ATIL) & Maharashtra Eastern Grid Power Trasmission Company Limited (MEGPTCL) and negative lien on fixed assets of ATIL and MEGPTCL.	The Secured Term Loan from bank amounting to ₹ 320.00 Crores. (31st March, 2023 - ₹ 220.00 Crores) having rate of interest of 8.50% to 8.96% p.a.
Unsecured Loan from bank	Unsecured Loan	Loan aggregating ₹ 115.85 Crores (31st March, 2023- ₹ 425.60 Crores) from banks at the rate of interest ranges from 9.65% to 9.89 % p.a.

30 Trade Payables

		As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
Trade Payables			
Micro and Small Enterprises		50.92	46.43
Other than Micro and Small Enterprises		1,671.19	1,754.00
	Total	**1,722.11**	**1,800.43**

30.1 Trade Payables ageing schedule

As at 31st March, 2024 (₹ in Crores)

Particulars	Not Due	Outstanding for following periods from due date of payment: Less than 1 year	1 - 2 years	2 -3 years	More than 3 years	Total
(a) MSME	33.63	9.84	2.53	1.31	3.61	**50.92**
(b) Others	1,181.20	179.45	130.63	26.89	98.34	**1,616.51**
(c) Disputed dues – MSME	-	-	-	-	-	**-**
(d) Disputed dues - Others	-	-	-	92.07	-	**92.07**
Total	**1,214.83**	**189.29**	**133.16**	**120.27**	**101.95**	**1,759.50**

As at 31st March, 2023 (₹ in Crores)

Particulars	Not Due	Outstanding for following periods from due date of payment: Less than 1 year	1 - 2 years	2 -3 years	More than 3 years	Total
(a) MSME	27.33	13.09	1.67	1.27	3.07	**46.43**
(b) Others	975.93	364.69	192.61	99.71	61.75	**1,694.69**
(c) Disputed dues – MSME	-	-	-	-	-	**-**
(d) Disputed dues - Others	-	-	92.07	-	-	**92.07**
Total	**1,003.26**	**377.78**	**286.35**	**100.98**	**64.82**	**1,833.19**

Note : Ageing includes Long term and Short term Trade payable.

31 Current Financial Liabilities - Others

		As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
Interest accrued but not due on borrowings / deposits		290.99	272.66
Payable on purchase of Property, Plant and Equipment		1,052.37	920.85
Derivative Instruments		2.45	0.40
Security Deposits from Consumers, Customers & Vendors		596.64	531.08
Refundable to customers on truing up		101.38	112.83
	Total	**2,043.83**	**1,837.82**

32 Other Current Liabilities

	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
Statutory liabilities	405.51	246.28
Advance from Customers	196.34	97.66
Other Payables	13.59	6.50
Deferred Revenue - Service Line Contributions from Consumers	15.24	12.90
Other Advances	-	0.45
Total	**630.68**	**363.79**

33 Current Tax Liabilities (Net)

	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
Current Tax Liabilities (Net)	3.18	8.01
Total	**3.18**	**8.01**

34 Revenue from Operations

	For the year ended 31st March, 2024 (₹ in Crores)	For the year ended 31st March, 2023 (₹ in Crores)
a) Income from sale of Power and Transmission Charges		
Income from sale of Power and Transmission Charges (net)	14,330.39	12,170.37
Income under Service Concession Arrangements (SCA)	136.72	139.05
Construction Income relating to Service Concession Arrangements (SCA)	858.31	-
Total (a)	**15,325.42**	**12,309.42**
b) Income from Trading Business		
Sale of Traded Goods	1,029.59	755.65
Total (b)	**1,029.59**	**755.65**
c) Other Operating Revenue		
Street Light Maintenance Charges	122.79	119.73
Sale of Coal Rejects / Fly Ash	13.44	13.90
Amortisation of Service Line Contribution	17.46	15.03
Others	98.66	78.99
Total (c)	**252.35**	**227.65**
Total (a+b+c)	**16,607.36**	**13,292.72**

35 Other Income

	For the year ended 31st March, 2024 (₹ in Crores)	For the year ended 31st March, 2023 (₹ in Crores)
Interest Income		
Bank	248.40	179.39
Others	138.22	315.38
Gain/(Loss) on Investments		
Gain on Sale/Fair Value of Current Investments measured at FVTPL	43.10	21.24
Other Non-operating Income		
Gain on buy-back of bond	136.49	-
Profit on Sale / Retirement of property, plant and equipment (Net)	3.77	-
Rent Income	1.03	-
Sale of Scrap	9.01	8.48
Bad debt recovery	20.91	17.89
Unclaimed liabilities / Excess provision written back	8.39	0.51
Sundry creditors written back	-	2.44
Miscellaneous Income	1.63	2.41
Total	**610.95**	**547.74**

36 Purchases of Stock - in - Trade

	For the year ended 31st March, 2024 (₹ in Crores)	For the year ended 31st March, 2023 (₹ in Crores)
Purchases of Stock - in - Trade	1,028.95	755.13
Total	**1,028.95**	**755.13**

37 Employee Benefits Expenses

	For the year ended 31st March, 2024 (₹ in Crores)	For the year ended 31st March, 2023 (₹ in Crores)
Salaries, Wages and Bonus (Refer note below)	753.33	797.10
Contribution to provident fund and other funds	65.29	67.48
Gratuity Expenses (refer note 52)	47.72	34.79
Staff Welfare Expenses	85.36	87.28
Total	**951.70**	**986.65**

A Special Voluntary Retirement Scheme (SVRS) 2023, was rolled out for employees of AEML from March 28, 2023 to April 15, 2023. Amount charged during the year towards expected payout in this regard and included ₹ Nil (31 March 2023 : ₹ 211.72 Crores). During the current financial year the Company has discharged an amount of ₹ 122.97 Crores and reverse the balance amount of ₹ 88.75 Crores

38 Finance costs	For the year ended 31st March, 2024 (₹ in Crores)	For the year ended 31st March, 2023 (₹ in Crores)
Interest on Loans & Debentures	1,695.52	1,415.33
Interest on Trade Credits	138.01	107.67
Interest on Lease Obligation	7.73	9.41
Bank Charges & Other Borrowing Costs	65.61	41.72
Interest - Hedging Cost	859.64	1,207.34
Total	**2,766.51**	**2,781.47**

39 Other Expenses	For the year ended 31st March, 2024 (₹ in Crores)	For the year ended 31st March, 2023 (₹ in Crores)
Stores and Spares	332.42	59.29
Construction Expenses relating to Service Concession Arrangements (SCA)	842.22	-
Transmission Charges	493.56	482.31
Repairs and Maintenance - Plant and Equipment	634.27	480.98
Repairs and Maintenance -Building	14.64	15.91
Repairs and Maintenance - Others	26.85	34.99
Short Term Lease Rental (Refer note 43)	22.52	24.97
Rates and Taxes	13.11	12.03
Legal & Professional Expenses	295.10	232.37
Payment to Auditors (including component auditors)	3.48	3.46
Travelling & Conveyance Expenses	48.58	47.42
Insurance Expenses	22.75	24.52
Bad Debt Written Off	17.09	15.21
Foreign Exchange Fluctuation Loss	0.40	0.46
Corporate Social Responsibility expenses	42.16	33.09
Security Charges	35.71	36.73
Provision for Doubtful Debts, Advances, Deposits	-	18.58
Loss on sale/scrapping of Property, Plant and Equipment	0.04	0.20
Bilateral Charges & Liquidated Damages*	16.51	114.14
Miscellaneous Expenses	134.70	172.51
Total	**2,996.11**	**1,809.17**

***Note :** In respect of certain subsidiaries of Adani Energy Solutions Limited (Formerly Known as Adani Transmission Limited), on account of delay in commissioning of transmission assets for reasons beyond the control of the respective subsidiaries, a sum of ₹ 16.51 Crores (PY : ₹ 114.14 Crores) has been provided toward bilateral charges and liquidated damages. The subsidiaries have filed appeals against the same.

40 Income Tax	For the year ended 31st March, 2024 (₹ in Crores)	For the year ended 31st March, 2023 (₹ in Crores)
Current Tax :		
In respect of current year	298.00	260.55
In respect of Previous years	0.60	0.39
Deferred Tax	281.53	174.39
Total	**580.13**	**435.33**

Tax recognised in other comprehensive income	For the year ended 31st March, 2024 (₹ in Crores)	For the year ended 31st March, 2023 (₹ in Crores)
Remeasurement of Defined Benefit Plans		
Total income tax recognised in other comprehensive income	0.01	(8.36)
Effective portion of gains and losses on designated portion of hedging instruments in a cash flow hedge		
Tax relating to items that will be reclassified to Profit or Loss	93.62	71.64
Total	**93.63**	**63.28**

Accounting profit before tax	1,779.56	1,711.72
Tax Rate	25.168%	25.168%
Income tax expense at tax rate applicable	447.88	430.80
Tax Effect of :		
Income and Expenses not allowed under Income Tax		
i) Differences in respect of Distribution on Perpetual Equity Instrument	-	(4.99)
ii) Current year Losses for which no Deferred Tax Asset is created	122.70	78.81
iii) Adjustments in respect of current income tax of previous year	(11.89)	1.72
iv) Non deductible Expenses	(1.24)	14.89
v) Subsidiary charged at different rate	114.90	139.39
vi) MAT Credit not recognised	178.50	239.28
vii) 80IA claims	(238.50)	(435.62)
viii) Unrecognized Deferred Tax upto Previous year	(11.84)	(1.11)
ix) Credit Taken for Previous year losses for which no deferred tax was recognized	(101.65)	(37.87)
x) Tax on dividend income from subsidiary	64.49	-
xi) Others (Includes Tax at different rate)	16.78	10.03
Gross Tax	**580.13**	**435.33**

Unrecognised deductible temporary differences, unused tax losses and unused tax credits

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following expiry as per details below :

(₹ in Crores)

As at 31st March, 2024	Business Losses	Unabsorbed Depreciation	Mat Credit	Total
Unrecognised deferred tax assets				
Within One Year	-	-	-	-
Greater than one year, less than five years	0.02	-	-	0.02
Greater than five years	1,488.92	-	1,777.39	3,266.31
No expiry date	-	418.19	-	418.19
Total	**1,488.94**	**418.19**	**1,777.39**	**3,684.52**

(₹ in Crores)

As at 31st March, 2023	Business Losses	Unabsorbed Depreciation	Mat Credit	Total
Unrecognised deferred tax assets				
Within One Year	8.43	-	-	8.43
Greater than one year, less than five years	739.57	-	-	739.57
Greater than five years	718.27	-	1,577.94	2,296.21
No expiry date	-	276.78	-	276.78
Total	**1,466.27**	**276.78**	**1,577.94**	**3,320.99**

			For the year ended 31st March, 2024	For the year ended 31st March, 2023
41	**Earnings per share (EPS)**			
A	**After net Movement in Regulatory Deferral Balance**			
	Profit after tax attributable to the owners of the Company	(₹ in Crores)	1,137.28	1,256.33
	Less: Distribution on Unsecured perpetual Equity Instrument	(₹ in Crores)	-	(19.83)
	Net Profit attributable to Equity Shareholders including Regulatory income/(expense)	(₹ in Crores)	**1,137.28**	**1,236.50**
	Weighted average number of equity shares outstanding during the year	No.	1,11,54,92,683	1,11,37,31,076
	Nominal Value of equity share	₹	10	10
	Basic / Diluted Earnings per Equity Share (Face Value of ₹ 10 each) after net Movement in Regulatory Deferral Balance	₹	**10.20**	**11.10**
B	**Before net Movement in Regulatory Deferral Balance**			
	Profit after tax attributable to the owners of the Company	(₹ in Crores)	1,137.28	1,256.33
	Less: Distribution on Unsecured perpetual Equity Instrument	(₹ in Crores)	-	(19.83)
	Add/(Less): Regulatory Income / (expense) (net)	(₹ in Crores)	298.50	(640.13)
	Net Profit attributable to Equity Shareholders before Regulatory income/(expense)	(₹ in Crores)	**1,435.78**	**596.37**
	Weighted average number of equity shares outstanding during the year	No.	1,11,54,92,683	1,11,37,31,076
	Nominal Value of equity share	₹	10	10
	Basic / Diluted Earnings per Equity Share (Face Value of ₹ 10 each) before net Movement in Regulatory Deferral Balance	₹	**12.87**	**5.35**

	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
42 Contingent liabilities and Commitments		
(i) Contingent liabilities :		
Claims against the Company not acknowledged as Debts		
(a) Direct & Indirect tax	41.95	44.18
(b) Demand disputed by the Group relating to Service tax on street light Maintenance, wheeling charges and cross subsidy surcharges (Refer note 1)	353.55	353.55
(c) Claims raised by the Government authorities towards unearned income arising on alleged transfer of certain land parcels (Refer Note 1)	127.65	127.65
(d) 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 1)	1,381.28	1,381.28
(e) Way Leave fees claims disputed by the Group relating to rates charged (Refer Note 1)	28.43	28.43
(f) Other claims against the Group not acknowledged as debts	33.43	33.43
(g) Property related disputes (Refer Note 1)	2.59	2.59
(h) Demand disputed by the Company relating to Standby Charges including interest payable (Refer Note 2)	398.68	213.79
(i) Liability in respect of termination of power purchase lease agreement (refer note 6)	@@	@@
Total	**2,367.56**	**2,184.90**

@@ Amount not determinable

1 In terms of the Share Purchase Agreement entered into by the Group with RINFRA, in the event the above matters are decided against the AEML and are not recoverable from the consumers, the same would be recovered from RINFRA.

2 Appeal has been filed by AEML under Section 111 of the Electricity Act, 2003, challenging the Order dated 31 March 2023 passed by the Maharashtra Electricity Regulatory Commission directing levy of Standby charges by Maharashtra State Electricity Distribution Company Limited.

3 The above Contingent Liabilities (except interest payable of ₹ 28.67 Crores included in point "h" above) to the extent pertaining to Regulated Business having cost plus model, which on unfavourable outcome are recoverable from consumers subject to MERC/CERC approval.

4 Amounts in respect of employee related claims/disputes, consumer related litigation, regulatory matters is not ascertainable.

5 Future cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.

6 AEML had terminated long term Power purchase agreement (PPA) due to non-performance of obligations under the PPA by VIPL, such termination has been upheld by MERC / Appellate Tribunal of Electricity ("ATE"). VIPL has filed an appeal before the Hon'ble Supreme Court against the said order issued by the ATE. The proceedings are ongoing with the Hon'ble Supreme Court.

The Group, in respect of the above mentioned Contingent Liabilities has assessed that it is only possible but not probable that outflow of economic resources will be required.

(ii) Commitments :	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advance)	6,854.26	5,705.37
	6,854.26	**5,705.37**

(iii) Other Commitments:

a) For procurement of Hybrid (Solar/Wind) power on long term basis, AEML has entered into a long term 25 years Power Purchase Agreement of 700 MW per annum with a group entity (Adani Hybrid Energy Jaisalmer Four Limited), to purchase 700 MW per annum of Hybrid Renewable Power at ₹ 3.24 per unit.

b) AEML has entered into a Power Purchase Agreement for procurement of Power 500 MW per annum on Medium term basis i.e. from 01 September, 2022 to 14 October 2024 with a group entity (Adani Enterprises Limited) at ₹ 5.98 uer unit.

c) MPSEZ Utilities Limited (MUL) has entered into Power Purchase Agreement for a tenure of 15 years, starting from FY 2023-24, with Adani Power Limited (APL) for procurement of power 360 MV per annum for fixed charge at ₹ 5 per kWh @ 85% plant load factor.

(iv) The Group has acquired the control of Adani Electricity Mumbai Limited ("AEML") w.e.f. 29th August, 2018, through its purchase from Reliance Infrastructure Limited ("R-Infra"), of the equity shares of AEML.

On 21st August, 2022, R-Infra has filed a Consolidated statement of arbitration claims under the Share Purchase Agreement. The Management has been legally advised by external legal counsel that the said claim is unlikely to succeed. The Management following the due process laid out under the Share Purchase Agreement for dispute resolution has responded against R-Infra in the arbitration proceedings.

The Hon'ble Supreme Court, while hearing in respect of the issues between Vidarbha Industries Power Limited ("VIPL"), R-Infra and AEML has being appraised that both R-Infra and VIPL have raised similar issues before two forums i.e., before the Hon'ble Supreme Court and Arbitrator. Therefore, the Hon'ble Supreme Court, considering the above submission, passed a direction vide order dated 22nd November, 2022, to stay the Arbitration Proceedings in view of pendency of the present case.

43 Leases

Disclosure under Ind AS 116 Leases:

(i) The following is the movement in Lease liabilities during the year ended 31st March, 2024

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Opening Balance	71.19	87.21
Lease Liabilities on account of Leases entered / terminated during the year	1.48	0.44
Lease Liabilities on account of acquisition	2.52	-
Finance Costs incurred during the year	7.73	9.41
Net Payments of Lease Liabilities	(22.14)	(25.87)
Closing Balance (Refer note 23)	**60.78**	**71.19**

(ii) The Group's significant leasing arrangements, other than lease hold land, are in respect of office premises, residential premises, and warehouses taken on lease. The arrangements range between 11 months to 5 years generally and are usually renewable by mutual consent on mutually agreeable terms. Under these arrangements, generally refundable interest free deposits have been given. The Group has not entered into any material financial lease.

(iii) Leasing arrangements with respect to land range between 20 years to 99 years generally.The lease agreement is of fixed rate and non-cancellable. There is no contingent rent, no sub-leases and no restrictions imposed by the lease arrangements.

(iv) The expense relating to payments not included in the measurement of the lease liability and recognised as expenses in the statement of profit and loss during the year is as follows: Low Value leases & Short-term leases - ₹ 22.52 Crores (31 March, 2023 ₹ 24.97 Crores)

44 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

(A) Ultimate Controlling Entity	S. B. Adani Family Trust (SBAFT)
(B) Key Management Personnel:	Mr. Gautam S. Adani, Chairman Mr. Rajesh S. Adani, Director Mr. Anil Sardana, Managing Director Ms. Meera Shankar - Non Executive - Independent Director Ms. Lisa Caroline Maccallum - Non Executive - Independent Director Dr. Ravindra H. Dholakia - Non Executive - Independent Director Mr. K. Jairaj - Non Executive - Independent Director Mr. Kandarp Patel, Chief Executive Officer (Appointed w.e.f 2nd November, 2022) Mr. Kunjal Mehta, Chief Financial Officer (Appointed w.e.f 1st Arpil, 2024) Mr. Bimal Dayal, Chief Executive Officer (Resigned w.e.f 8th December, 2023) Mr. Rohit Soni - Chief Financial Officer (Resigned w.e.f 31st March, 2024) Mr. Jaladhi Shukla, Company Secretary
(C) Enterprises over which (A) or (B) above have control or significant influence :	ACC Limited Adani Airport Holdings Limited Adani Brahma Synergy Private Limited Adani Bulk Terminals (Mundra) Limited Adani CMA Mundra Terminal Private Limited Adani Digital Labs Private Limited Adani Enterprises Limited Adani Estate Management Private Limited Adani Foundation Adani Green Energy (UP) Limited Adani Green Energy Limited Adani Hazira Port Private Limited Adani Hospitals Mundra Private Limited Adani Hybrid Energy Jaisalmer Four Limited (Formerly known as RSEPL Hybrid Power One limited) Adani Infra (India) Limited Adani Infrastructure and Developers Private Limited Adani Infrastructure Management Services Limited Adani Institute For Education & Research Adani International Container Terminal Private Limited Adani Krishnapatnam Port Limited Adani Logistics Limited Adani Mundra SEZ Infrastructure Private Limited Adani New Industries Limited Adani Petronet Dahej Port Private Limited Adani Ports And Special Economic Zone Limited Adani Power (Jharkhand) Limited Adani Power (Mundra) Limited (Amalgamated with Adani Power Limited) Adani Power Limited Adani Power Maharashtra Limited (Amalgamated with Adani Power Limited) Adani Power Rajasthan Limited (Amalgamated with Adani Power Limited) Adani Properties Private Limited Adani Rail Infra Private Limited Adani Renewable Energy (KA) Limited Adani Renewable Energy Holding Twelve Limited (Formerly known as Adani Green Energy Twenty Eight Limited) Adani Road Transport Limited Adani Skill Development Center Adani Social Development Foundation Adani Sportline Private Limited Adani Total Gas Limited Adani TotalEnergies E-Mobility Limited Adani Tracks Management Services Private Limited Adani Vizhinjam Port Private Limited Adani Wind Energy Kutchh One Limited (Formerly known as Adani Green Energy (MP) Limited) AdaniConnex Private Limited AEML Gratuity Fund AEML Superannuation Fund Ahmedabad International Airport Limited Alpha Design Technologies Private Limited Ambuja Cements Limited AMG Media Networks Limited Belvedere Golf and Country Club Private Limited DC Development Hyderabad Private Limited DC Development Noida Limited Dharavi Redevelopment Project Private Limited Dighi Port Limited Guwahati International Airport Limited Karnavati Aviation Private Limited Kutch Copper Limited Lucknow International Airport Limited

Enterprises over which (A) or (B) above have control or significant influence :	Mangaluru International Airport Limited Mumbai International Airport Limited Mundra Crude Oil Terminal Private Limited Mundra LPG Terminal Private Limited Mundra Petrochem Limited Mundra Sez Textile And Apparel Park Private Limited Mundra Solar Energy Limited Mundra Solar PV Limited Mundra Solar Techno Park Private Limited Mundra Solar Technology Limited PLR Systems (India) Limited PLR Systems Private Limited Raipur Energen Limited (Amalgamated With Adani Power Limited) SBRSR Power Cleantech Eleven Private Limited Superheights Infraspace Private Limited TRV (Kerala) International Airport Limited Udupi Power Corporation Limited (Amalgamated With Adani Power Limited) Valuable Properties Private Limited Vishakha Renewables Private Limited Wardha Solar (Maharashtra) Private Limited

Enterprises having significant influence of Ultimate Controlling Entity, the names and the nature of relationships is disclosed only when the transactions are entered into by the Company with the related parties during the existence of the related party relationship.

(₹ in Crores)

Nature of Transaction	**Name of Related Party**	**For the year ended 31st March, 2024**	**For the year ended 31st March, 2023**
CSR Expenditure	Adani Foundation	33.98	25.76
	Adani Skill Development Center	1.84	-
Distribution on Perpetual Equity Instruments	Adani Infra (India) Limited	-	19.83
Earnest Money Deposit Received	Adani Total Gas Limited	-	0.10
	Ambuja Cements Limited	0.50	-
	Vishakha Renewables Private Limited	0.14	-
	ACC Limited	0.50	-
Earnest Money Deposit Refunded	Ambuja Cements Limited	0.50	-
	ACC Limited	0.50	-
Employee balance transfer	Adani Airport Holdings Limited	0.23	0.62
	Adani Enterprises Limited	5.74	0.23
	Adani Green Energy Limited	0.27	0.57
	Adani Infra (India) Limited	0.00	-
	Adani Infrastructure and Developers Private Limited	0.32	-
	Adani Infrastructure Management Services Limited	0.09	0.08
	Adani Krishnapatnam Port Limited	0.01	0.44
	Lucknow International Airport Limited	-	0.02
	Adani New Industries Limited	-	0.08
	Adani Petronet Dahej Port Private Limited	-	0.01
	Adani Ports And Special Economic Zone Limited	0.55	0.24
	Adani Power (Jharkhand) Limited	-	0.08
	Adani Power (Mundra) Limited (Amalgamated with Adani Power Limited)	-	0.09
	Adani Total Gas Limited	0.10	-
	AdaniConnex Private Limited	0.04	-
	Adani Power Limited	0.02	0.19
	Adani Power Maharashtra Limited (Amalgamated with Adani Power Limited)	-	0.01
	Adani Sportline Private Limited	-	0.09
	Adani Vizhinjam Port Private Limited	-	0.04
	Ahmedabad International Airport Limited	0.26	0.02
	Ambuja Cements Limited	0.11	0.90
	Dighi Port Limited	-	0.01
	Dharavi Redevelopment Project Private Limited	0.09	-
	Guwahati International Airport Limited	-	0.05
	Mumbai International Airport Limited	-	0.50
	Mundra Petrochem Limited	0.00	0.11
	Mundra Solar PV Limited	-	0.85
	Mundra Solar Energy Limited	0.02	-
	PLR Systems (India) Limited	0.02	-
	PLR Systems Private Limited	0.03	0.03
	Raipur Energen Limited (Amalgamated With Adani Power Limited)	-	0.24
Interest Expenses	Adani Infra (India) Limited	39.68	0.12
	Adani Green Energy Limited	0.01	-
	Adani Rail Infra Private Limited	16.47	-
	Adani Properties Private Limited	34.50	3.66
Interest Income	Adani Enterprises Limited	0.64	22.69
	Adani Infra (India) Limited	7.60	15.21
	Adani Properties Private Limited	-	108.61

(₹ in Crores)

Nature of Transaction	Name of Related Party	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Loan Given	Adani Infra (India) Limited	-	119.72
	Adani Properties Private Limited	-	1,591.13
Loan Received back	Adani Infra (India) Limited	-	179.32
	Adani Properties Private Limited	-	2,631.13
Loan Repaid	Adani Infra (India) Limited	101.08	-
	Adani Properties Private Limited	150.80	907.40
	Adani Rail Infra Private Limited	387.28	-
Loan Taken	Adani Infra (India) Limited	-	104.58
	Adani Green Energy Limited	0.14	-
	Adani Rail Infra Private Limited	580.00	-
	Adani Properties Private Limited	790.00	765.38
Purchase of Goods / Receiving of Services	Adani Digital Labs Private Limited	0.08	0.03
	AdaniConnex Private Limited	25.15	-
	Adani Enterprises Limited	2,636.79	2,175.78
	Adani Estate Management Private Limited	0.04	0.02
	Adani Green Energy Limited	0.02	-
	Adani Green Energy (UP) Limited	0.10	-
	Adani Hospitals Mundra Private Limited	0.01	0.07
	Adani Hybrid Energy Jaisalmer Four Limited (Formerly known as RSEPL Hybrid Power One limited)	930.83	708.82
	Adani Infra (India) Limited	-	11.37
	Adani Infrastructure Management Services Limited	71.89	78.23
	Adani Institute For Education & Research	-	0.02
	Adani Petronet Dahej Port Private Limited	3.61	4.04
	Adani Ports And Special Economic Zone Limited	10.73	9.21
	Adani Power (Mundra) Limited (Amalgamated with Adani Power Limited)	277.47	142.94
	Adani Power Limited	52.82	-
	Adani Renewable Energy (KA) Limited	12.70	10.56
	Adani Sportline Private Limited	0.01	-
	Adani Social Development Foundation	0.20	-
	Adani Total Gas Limited	0.00	-
	Adani TotalEnergies E-Mobility Limited	0.54	-
	Adani New Industries Limited	0.23	-
	Ambuja Cements Limited	0.08	-
	Alpha Design Technologies Private Limited	1.94	3.54
	Belvedere Golf and Country Club Private Limited	0.16	0.27
	Karnavati Aviation Private Limited	9.00	9.00
	Mumbai International Airport Limited	-	1.14
	Mundra Sez Textile And Apparel Park Private Limited	-	0.05
	Mundra Petrochem Limited	1.98	-
	Wardha Solar (Maharashtra) Private Limited	0.02	-
	Mundra Solar Energy Limited	-	1.25
	Mundra Solar PV Limited	-	0.18
	SBRSR Power Cleantech Eleven Private Limited	-	0.62
	Udupi Power Corporation Limited (Amalgamated With Adani Power Limited)	-	25.86
Purchase of Land	Adani Enterprises Limited	0.18	0.08
Reimbursement of Expenses	Adani Enterprises Limited	-	6.01
	Mumbai International Airport Limited	0.08	-
Repayment of Perpetual Securities	Adani Infra (India) Limited	-	3,055.65
Sale of Goods / Rendering of Services	Adani Enterprises Limited	5.46	17.37
	Adani Bulk Terminals (Mundra) Limited	0.55	-
	Adani Digital Labs Private Limited	0.07	-
	Adani Infrastructure Management Services Limited	0.21	-
	Adani Power (Mundra) Limited (Amalgamated with Adani Power Limited)	0.04	-
	Adani Power Limited	1.65	1.82
	Adani Power Rajasthan Limited (Amalgamated with Adani Power Limited)	-	3.86
	DC Development Hyderabad Private Limited	89.46	-
	DC Development Noida Limited	16.03	-
	Mundra Sez Textile And Apparel Park Private Limited	0.07	0.07
	Mundra Solar Techno Park Private Limited	3.30	12.95
	Kutch Copper Limited	35.99	-
Service line contribution received	Adani Bulk Terminals (Mundra) Limited	4.29	-
	Adani CMA Mundra Terminal Private Limited	0.53	-
	Adani International Container Terminal Private Limited	0.55	-
	Adani Ports and Special Economic Zone Limited	1.56	-
	Adani Tracks Management Services Private Limited	3.72	-
	Kutch Copper Limited	49.78	-
	Mundra Crude Oil Terminal Private Limited	0.46	-
	Mundra Solar Technology Limited	2.63	-
Security Deposit for Bidding	Adani Renewable Energy Holding Twelve Limited (Formerly known as Adani Green Energy Twenty Eight Limited)	-	0.04

(₹ in Crores)

Nature of Transaction	Name of Related Party	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Advance	Adani Bulk Terminals (Mundra) Limited	-	6.12
Contribution to Employee Benefits	AEML Gratuity Fund	0.95	7.71
	AEML Superannuation Fund	6.06	-
Director Sitting Fees	Director Sitting Fees	0.77	0.35
Commission to Director	Key Managerial Personnel	0.80	-
Compensation of Key Management Personnel	Short-term benefits	32.87	22.50
	Post-employment benefits	1.13	0.86

Note :

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

2 Adani Electricity Mumbai Limited and MPSEZ Utilities Limited, a subsidiary and a wholly owned subsidiary respectively of Adani Energy Solutions Limited (Formerly known as Adani Transmission Limited) is dealing in the distribution of Power to the domestic, industrial and commercial consumers. The above related party transaction do not include the transactions of Sale of Power to the Related Parties in ordinary course of business, as all such transactions are done at Arm's Length Price Only. As per para 11(c)(iii) of IND AS -24 "Related Party Disclosures", normal dealings of Company with Related Parties by virtue of public utilities are excluded from the purview of Related Party Disclosures.

3 Transactions amongst related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2024, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2023: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

4 Compensation of Key Management Personnel does not include provision for Leave Encashment and Gratuity as it is provided in the books of account on the basis of actuarial valuation for the Group as a whole and hence individual figures cannot be identified.

(₹ in Crores)

Closing Balance	Name of Related Party	As at 31st March, 2024	As at 31st March, 2023
Balance Payable	Adani Airport Holdings Limited	0.25	0.49
	Adani Bulk Terminals (Mundra) Limited	-	6.12
	Adani Brahma Synergy Private Limited	0.00	-
	ACC Limited	0.00	-
	Adani Digital Labs Private Limited	-	0.01
	Adani Enterprises Limited	27.81	200.68
	Adani Green Energy Limited	0.29	0.62
	Adani Hazira Port Private Limited	-	0.03
	Adani Hospitals Mundra Private Limited	-	0.04
	Adani Hybrid Energy Jaisalmer Four Limited (Formerly known as RSEPL Hybrid Power One limited)	89.07	140.89
	Adani Infra (India) Limited	0.00	3.84
	Adani Infrastructure and Developers Private Limited	0.32	-
	Adani Infrastructure Management Services Limited	75.92	93.44
	Adani International Container Terminal Private Limited	0.02	0.02
	Adani Krishnapatnam Port Limited	0.00	0.44
	AdaniConnex Private Limited	28.58	-
	Lucknow International Airport Limited	0.02	0.02
	Adani New Industries Limited	0.00	0.05
	Adani Petronet Dahej Port Private Limited	-	0.01
	Adani Ports And Special Economic Zone Limited	10.93	11.68
	Adani Power (Jharkhand) Limited	-	0.02
	Adani Power (Mundra) Limited (Amalgamated With Adani Power Limited)	-	14.56
	Adani Power Limited	16.20	0.01
	Adani Power Maharashtra Limited (Amalgamated With Adani Power Limited)	-	0.01
	Adani Properties Private Limited	0.02	-
	Adani Renewable Energy (KA) Limited	0.50	0.14
	Adani Renewable Energy Holding Twelve Limited (Formerly known as Adani Green Energy Twenty Eight Limited)	0.04	0.04
	Adani Road Transport Limited	0.00	-
	Adani Sportline Private Limited	-	0.09
	Adani Total Gas Limited	0.10	0.28
	Adani TotalEnergies E-Mobility Limited	0.64	-
	Ahmedabad International Airport Limited	0.26	0.02
	Alpha Design Technologies Private Limited	-	0.40
	Ambuja Cements Limited	0.12	0.90
	AMG Media Networks Limited	0.00	-
	Belvedere Golf and Country Club Private Limited	0.01	-
	DC Development Hyderabad Private Limited	27.61	-
	Dharavi Redevelopment Project Private Limited	0.09	-
	Dighi Port Limited	-	0.01
	Guwahati International Airport Limited	-	0.05
	Karnavati Aviation Private Limited	-	6.05
	Mangaluru International Airport Limited	-	0.10
	Mumbai International Airport Limited	0.04	0.59
	Mundra Petrochem Limited	-	0.11
	Mundra Sez Textile And Apparel Park Private Limited	-	0.01
	Mundra Solar Energy Limited	0.01	1.40
	Mundra Solar PV Limited	0.95	0.95

(₹ in Crores)

Closing Balance	Name of Related Party	As at 31st March, 2024	As at 31st March, 2023
Balance Payable	PLR Systems Private Limited	0.03	0.03
	PLR Systems (India) Limited	0.02	-
	Raipur Energen Limited (Amalgamated With Adani Power Limited)	-	0.01
	SBRSR Power Cleantech Eleven Private Limited	-	0.62
	Superheights Infraspace Private Limited	79.00	79.00
	TRV (Kerala) International Airport Limited	0.02	-
	Udupi Power Corporation Limited (Amalgamated with Adani Power Limited)	-	3.46
	Vishakha Renewables Private Limited	0.14	-
	Valuable Properties Private Limited	0.06	0.06
Balance Receivable	Ahmedabad International Airport Limited	-	0.05
	Adani CMA Mundra Terminal Private Limited	0.00	-
	Adani Enterprises Limited	57.18	0.54
	Adani Green Energy Limited	0.02	0.04
	Adani Infra (India) Limited	0.20	-
	Adani Infrastructure Management Services Limited	4.85	0.04
	Adani International Container Terminal Private Limited	0.01	-
	Adani Krishnapatnam Port Limited	0.01	-
	Adani Logistics Limited	0.00	-
	Adani New Industries Limited	0.25	0.03
	Adani Ports And Special Economic Zone Limited	1.22	0.23
	Adani Power (Jharkhand) Limited	0.06	0.06
	Adani Power (Mundra) Limited (Amalgamated With Adani Power Limited)	-	0.06
	Adani Power Limited	0.35	2.20
	Adani Power Maharashtra Limited (Amalgamated With Adani Power Limited)	-	0.20
	Adani Digital Labs Private Limited	0.07	-
	DC Development Noida Limited	4.31	-
	Adani Vizhinjam Port Private Limited	0.03	0.03
	Adani Wind Energy Kutchh One Limited (Formerly known as Adani Green Energy (MP) Limit	0.00	-
	Ahmedabad International Airport Limited	0.05	-
	Dighi Port Limited	0.00	-
	Kutch Copper Limited	3.03	-
	Mumbai International Airport Limited	-	13.05
	Mundra LPG Terminal Private Limited	0.00	-
	Mundra Petrochem Limited	0.00	-
	Mundra SEZ Textile and Apparel Park Private Limited	0.01	-
	Mundra Solar Energy Limited	0.02	-
	Mundra Solar PV Limited	0.02	-
	Mundra Solar Techno Park Private Limited	0.00	6.69
	Vishakha Renewables Private Limited	0.00	-
	Raipur Energen Limited (Amalgamated With Adani Power Limited)	-	0.22
	Udupi Power Corporation Limited (Amalgamated with Adani Power Limited)	-	0.04
Capital Advance	Adani Infra (India) Limited	113.87	106.48
	Adani Mundra SEZ Infrastructure Private Limited	13.80	13.80
Advance to vendor	Adani Bulk Terminals (Mundra) Limited	1.92	-
Loan Payable	Adani Infra (India) Limited	485.52	104.70
	Adani Green Energy Limited	0.16	-
	Adani Rail Infra Private Limited	194.82	-
	Adani Properties Private Limited	626.81	125.01

45 Fair Value Measurement :

a) The carrying value of financial instruments by categories as of 31st March, 2024 is as follows :

(₹ in Crores)

Particulars	Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Total Carrying value in books	Fair value
Financial Assets					
Investments in Mutual Funds	-	392.30	-	392.30	392.30
Investments in Government securities	-	34.56	339.62	374.18	360.19
Trade Receivables	-	-	1,564.95	1,564.95	1,564.95
Cash and Cash Equivalents	-	-	742.06	742.06	742.06
Bank Balances other than Cash and Cash Equivalents above	-	-	1,486.08	1,486.08	1,486.08
Loans	-	-	430.29	430.29	430.29
Derivative instruments	928.86	-	-	928.86	928.86
Other Financial Assets	-	-	5,273.03	5,273.03	5,273.03
Total	**928.86**	**426.86**	**9,836.03**	**11,191.75**	**11,177.76**
Financial Liabilities					
Borrowings (Including current maturities and Interest Accrued)	-	-	37,299.86	37,299.86	35,469.60
Derivative instruments	83.26	-	-	83.26	83.26
Lease Liabilities	-	-	60.78	60.78	60.78
Trade Payables	-	-	1,759.50	1,759.50	1,759.50
Other Financial Liabilities	-	-	2,182.70	2,182.70	2,182.70
Total	**83.26**	**-**	**41,302.84**	**41,386.10**	**39,555.84**

b) The carrying value of financial instruments by categories as of 31st March, 2023 is as follows :

(₹ in Crores)

Particulars	Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Total Carrying value in books	Fair value
Financial Assets					
Investments in Mutual Funds	-	1,020.43	-	1,020.43	1,020.43
Investments in Government securities	-	25.78	323.47	349.25	326.89
Trade Receivables	-	-	1,437.59	1,437.59	1,437.59
Cash and Cash Equivalents	-	-	190.64	190.64	190.64
Bank Balances other than Cash and Cash Equivalents above	-	-	1,513.50	1,513.50	1,513.50
Loans	-	-	503.30	503.30	503.30
Derivative instruments	926.86	-	-	926.86	926.86
Other Financial Assets	-	-	4,954.23	4,954.23	4,954.23
Total	**926.86**	**1,046.21**	**8,922.73**	**10,895.80**	**10,873.44**
Financial Liabilities					
Borrowings (Including current maturities and Interest Accrued)	-	-	34,471.50	34,471.50	29,924.20
Derivative instruments	4.80	-	-	4.80	4.80
Lease Liabilities	-	-	71.19	71.19	71.19
Trade Payables	-	-	1,833.19	1,833.19	1,833.19
Other Financial Liabilities	-	-	1,899.20	1,899.20	1,899.20
Total	**4.80**	**-**	**38,275.08**	**38,279.88**	**33,732.58**

The management assessed that the fair value of cash and cash equivalents, other balance with banks, trade receivables, loans, trade payables, other financial assets and liabilities approximate their carrying amount largely due to the short term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values.

Fair value of mutual funds are based on the price quotations near the reporting date.

The fair value of Government Securities have been determined based on the prevailing market rate as on the reporting date.

The fair value of loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flow using rates currently available for debt on similar terms, credit risk and remaining maturities.

The Group enters into derivative financial instruments with various counterparties, principally banks and financial institutions with investment grade credit ratings. Foreign exchange derivatives 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.

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46 **Fair Value hierarchy :**

(₹ in Crores)

Particulars	As at 31st March, 2024 Level 1	As at 31st March, 2024 Level 2	As at 31st March, 2023 Level 1	As at 31st March, 2023 Level 2
Assets measured at fair value				
Investments in unquoted Mutual Funds measured at FVTPL	-	392.30	-	1,020.43
Derivative Instruments	-	928.86	-	926.86
Investments in treasury bills at FVTPL	34.56	-	25.78	-
Asset for which Fair Value are disclosed				
Investments in Government Securities	325.64	-	301.11	-
Total	**360.20**	**1,321.16**	**326.89**	**1,947.29**
Liabilities measured at fair value				
Derivative Instruments	-	83.26	-	4.80
Liabilities for which fair values are disclosed				
Borrowings (Including current maturities and Interest Accrued)	16,515.92	18,953.68	14,802.51	15,121.69
Total	**16,515.92**	**19,036.94**	**14,802.51**	**15,126.49**

Note :

(i) The fair values of investments in mutual fund units is based on the net asset value ('NAV').

(ii) The fair value of Government Securities have been determined based on the prevailing market rate as on the reporting date.

(iii) The fair value of Derivative instruments is derived using valuation techniques which include forward pricing and swap models using present value calculations.

(iv) The Borrowing includes USD bonds which are listed in Singapore Stock Exchange. The fair value of Bonds have been determined based on the prevailing market rate as on the reporting date. The fair value of rest of the borrowings is equivalent to carrying value.

47 **Capital Management**

The Group's objectives to manage capital is to safeguard continuity and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Group's overall strategy remains unchanged from previous year.

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

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

No changes were made in the objectives, policies or processes for managing capital during the years ended as at 31st March, 2024 and as at 31st March, 2023.

(₹ in Crores)

Particulars	Refer Note	As at 31st March, 2024	As at 31st March, 2023
Total Borrowings (Including Current Maturities of Long Term Debt)	22 & 29	37,008.87	34,198.84
Less: Cash and bank balances	14 & 15	2,228.14	1,704.14
Less: Current Investments	12	442.69	1,056.79
Net Debt (A)		**34,338.04**	**31,437.91**
Equity Share Capital & Other Equity	19 & 21	12,641.55	11,749.17
Total Equity (B)		**12,641.55**	**11,749.17**
Total Equity and Net Debt (C=A+B)		**46,979.59**	**43,187.08**
Gearing Ratio : (A)/(C)		**0.73**	**0.73**

48 **Financial Risk Management Objectives**

The Group's principal financial liabilities comprises borrowings, trade and other payables, The main purpose of these financial liabilities is to finance the Group's operations/projects .The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

In the ordinary course of business, the Group is mainly exposed to risks resulting from exchange rate fluctuation (currency risk), interest rate movements (interest rate risk) collectively referred as Market Risk, Credit Risk, Liquidity Risk and other price risks such as equity price risk. The Group's senior management oversees the management of these risks. It manages its exposure to these risks through derivative financial instruments by hedging transactions. It uses derivative instruments such as Principal only Swaps, Interest rate swaps, Cross Currency Swaps, foreign currency future options and foreign currency forward contract to manage these risks. These derivative instruments reduce the impact of both favorable and unfavorable fluctuations.

The Group's risk management activities are subject to the management direction and control of Central Treasury Team of the Group under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board of Directors of the Group. The Group's central treasury team ensures appropriate financial risk governance framework for the Group through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

The decision of whether and when to execute derivative financial instruments along with its tenure can vary from period to period depending on market conditions and the relative costs of the instruments. The tenure is linked to the timing of the underlying exposure, with the connection between the two being regularly monitored. The Group is exposed to losses in the event of non-performance by the counterparties to the derivative contracts. All derivative contracts are executed with counterparties that, in our judgment, are creditworthy. The outstanding derivatives are reviewed periodically to ensure that there is no inappropriate concentration of outstanding to any particular counterparty.

In the ordinary course of business, the Group is exposed to Market risk, Credit risk, and Liquidity risk.

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

Interest rate risk
The Group is exposed to changes in market interest rates due to financing, investing and cash management activities. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates and period of borrowings. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group enters into interest rate swap contracts or cross currency swap contracts to manage its exposure to changes in the underlying benchmark interest rates.

During the year 2021-22, AEML issued the Sustainability Linked Bond (SLB) of USD 300 million through 10-year notes under USD 2 billion Global Medium-Term Notes program (GMTN) which carry fixed rate of interest till maturity with certain Sustainability Performance Targets (SPTs), non-attainment of which will result in increase in fixed rate of interest by 0.15 percent p.a, for SPT 1 in March 2027 and further 0.15 percent p.a. for SPT 2 for March 2029.

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

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Group's profit for the year ended March 31, 2024 would decrease / increase by ₹ 59.01 Crores (Previous Year ₹ 47.22 Crores). This is mainly attributable to interest rates on variable rate borrowings.

The year end balances are not necessarily representative of the average debt outstanding during the year.

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's foreign currency borrowings. The Group manages its foreign currency risk by hedging transactions that are expected to realise in future.

a) The Group has taken various derivatives to hedge its foreign exposure. The outstanding position of exposure against variation in interest rates and foreign exchange rate are as under:

Nature	Purpose	As at 31st March, 2024		As at 31st March, 2023	
		₹ in Crores	Foreign Currency (in Million)	₹ in Crores	Foreign Currency (in Million)
(i) Principal only swaps	Hedging of foreign currency borrowings principal liability	9,614.93	USD 1,152.80	10,555.56	USD 1,284.60
(ii) Forward covers	a. Hedging of foreign currency borrowing principal liability b. Hedging of foreign currency interest liability	350.68	USD 42.05	278.36	USD 33.88
(iii) Cross Currency Swaps	Hedging of foreign currency borrowing principal & interest liability	15,860.77	USD 1,892.00 EUR 8.97	14,951.62	USD 1,808.93 EUR 9.80
(iv) Coupon only Swaps	Hedging of foreign currency borrowing interest liability	4,003.44	USD 480.00	4,930.20	USD 600.00

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

Particulars	As at 31st March, 2024		As at 31st March, 2023	
	₹ in Crores	Foreign Currency (in Million)	₹ in Crores	Foreign Currency (in Million)
Creditors	212.07 2.61 0.25	AED 93.37 USD 0.31 EUR 0.03	- 7.79 0.32	- USD 0.95 EUR 0.04

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

(₹ in Crores)

Particulars	For the Year 2023-24		For the Year 2022-23	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Foreign Currency Sensitivity				
RUPEES / AED - (Increase) / Decrease	(2.12)	2.12	-	-
RUPEES / USD - (Increase) / Decrease	(0.03)	0.03	(0.08)	0.08
RUPEES / EUR - (Increase) / Decrease	(0.00)	0.00	(0.00)	0.00

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 March 31, 2024.

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

(₹ in Crores)

Derivative Financials Instruments	**As at 31st March, 2024**		**As at 31st March, 2023**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Cash flow hedge				
Cross Currency Swaps	451.60	58.30	367.96	3.60
Foreign Currency Swaps	340.63	18.01	38.15	0.80
Coupon Only Swaps	4.51	4.50	14.45	-
Forward	0.29	2.45	2.09	0.40
Principal Only Swaps	131.83	-	504.21	-
Total	**928.86**	**83.26**	**926.86**	**4.80**

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a loss to the Group. The Group is dealing with Sovereign equivalent counterparties and state counterparties as a means of mitigating the risk of financial losses from default, and generally does not obtain any collateral or other security on trade receivables.

The carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk. Since the Group is an Inter State and Intra State transmission Licensee (ISTS), the responsibility for billing and collection on behalf of the Group lies with the Central Transmission Utility (CTU) / State Transmission Utility (STU). Based on the fact that the collection by CTU/STU is from Designated ISTS Customers (DICs) which in majority of the cases are central / state government organizations and further based on an analysis of the past trends of recovery, the management is of the view that the entire receivables are fully recoverable. Accordingly, the Group does not recognize any impairment loss on its receivables.

Further in case of GTD Business, given the diverse nature of the consumer profile, 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 under normal course of the business having sound credit worthiness and as such that the Group believes exposure to credit risk to be minimal.

Liquidity risk

The Group monitors its risk of shortage of funds using cash flow forecasting models. These models consider the maturity of its financial investments, committed funding and projected cash flows from operations. The Group's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner and to manage its capital structure. A balance between continuity of funding and flexibility is maintained through the use of various types of borrowings.

The table below analysis derivative and non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in Crores)

As at 31st March, 2024	**Less than 1 year**	**1-5 years**	**Over 5 years**	**Total**
Borrowings#	6,770.30	18,974.42	29,102.40	54,847.12
Trade Payables	1,722.11	-	37.39	1,759.50
Derivative Liabilities	2.45	80.81	-	83.26
Lease Liabilties*	9.62	42.49	47.86	99.97
Other financial Liabilities	2,041.38	432.31	-	2,473.69

*Carrying Value of lease liabilities is ₹ 60.78 Crores

(₹ in Crores)

As at 31st March, 2023	**Less than 1 year**	**1-5 years**	**Over 5 years**	**Total**
Borrowings#	5,509.42	20,698.31	27,320.20	53,527.93
Trade Payables	1,800.43	-	32.76	1,833.19
Derivative Liabilities	0.40	4.40	-	4.80
Lease Liabilities*	18.31	37.62	51.68	107.61
Other financial Liabilities	1,837.42	334.44	-	2,171.86

*Carrying Value of lease liabilities is ₹ 71.19 Crores

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

49 Transaction with Struck Off Companies

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding (₹ in Crores)	Relation with the struck off company, if any, to be disclosed
As at 31st March, 2024			
Receivables			
United Glass Works Pvt. Ltd.	Sale of Power	0.01	Consumer
Suchammedi Mover Pvt. Ltd.	Sale of Power	0.01	Consumer
N R Enterprises Ltd.	Sale of Power	0.01	Consumer
J V D Developers Pvt. Ltd.	Sale of Power	0.01	Consumer
New Vision Pvt. Ltd.	Sale of Power	0.01	Consumer
Real Infrastructure Co.	Sale of Power	0.01	Consumer
Zenith Construction Co.	Sale of Power	0.01	Consumer
Others - 631 Parties < 50K	Sale of Power	0.14	Consumer
As at 31st March, 2023			
Payables			
Saptagiri Electrical Engineering	Purchase of Service	0.02	Vendor
Inavit Engineering & Consulting Pvt	Purchase of Service	0.01	Vendor
Sanjyot Laser Pvt Ltd	Purchase of Service	0.01	Vendor
Receivables			
Shree Sai Seva Kripa Sra Society Ltd	Sale of Power	0.01	Consumer
Shanti Sagar Realty India Private Ltd	Sale of Power	0.01	Consumer
N R Enterprises Ltd	Sale of Power	0.01	Consumer
Parekh Bldg Dev P Ltd	Sale of Power	0.01	Consumer
Comet Plast Machinery P Ltd	Sale of Power	0.01	Consumer
Others - 797 Parties < 50K	Sale of Power	0.15	Consumer

Note : If any transaction with a struck off company has happened during a financial year and settled / reversed / squared off etc., during the same financial year such that the balance outstanding is Nil as at 31st March, 2024 is less than ₹ 50,000.00 (31 March 2023 : Less than ₹ 50,000.00)

50 Segment information : Operating Segments

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

(i) Transmission : providing transmisison line for power transmission.
(ii) GTD Business : Generation, Transmission and Distribution of Power business for Mumbai City and Mundra Distribution.
(iii) Smart Metering : supply, install and maintain of Smart Metering Project on Design-Build-Finance- Own-Operate-Transfer (DBFOOT) basis
(iv) Trading : Trading activity of goods.

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

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

Information regarding the company's reportable segments is presented below: **(₹ in Crores)**

Particulars	Transmission	GTD Business	Smart Metering	Trading	Elimination	Total
1. Revenue						
External Sales	**5,114.14**	**10,172.77**	**290.86**	**1,029.59**	**-**	**16,607.36**
	3,945.16	*8,591.91*	-	*755.65*	-	*13,292.72*
Total Revenue	**5,114.14**	**10,172.77**	**290.86**	**1,029.59**	**-**	**16,607.36**
	3,945.16	*8,591.91*	-	*755.65*	-	*13,292.72*
Results						
Segment Results	**2,731.51**	**1,201.31**	**1.66**	**0.64**	**-**	**3,935.12**
	2,607.31	*1,337.62*	-	*0.52*	-	*3,945.45*
Unallocated Corporate Income (Net)						**610.95**
						547.74
Operating Profit						**4,546.07**
						4,493.19
Less: Finance Expense						**(2,766.51)**
						(2,781.47)
Profit before tax						**1,779.56**
						1,711.72
Current Taxes						**298.60**
						260.94
Deferred Tax						**285.35**
						170.18
Total Tax						**583.95**
						431.12
Profit after tax						**1,195.61**
						1,280.60
Less: Non-Controlling Interests						**(58.33)**
						(24.27)
Net profit						**1,137.28**
						1,256.33
2. Other Information						
Segment Assets	**30,762.81**	**20,359.16**	**349.86**	**-**	**-**	**51,471.83**
	27,278.24	*20,084.83*	-	-	-	*47,363.07*
Unallocated Corporate Assets						**7,106.98**
						6,568.68
Total Assets						**58,578.81**
						53,931.75
Segment Liabilities	**1,449.06**	**4,146.03**	**241.51**	**-**	**-**	**5,836.60**
	1,120.70	*4,026.65*	-	-	-	*5,147.35*
Unallocated Corporate Liabilities						**39,039.08**
						35,908.63
Total liabilities						**44,875.68**
						41,055.98
Depreciation /Amortisation	**970.64**	**805.44**	**-**	**-**	**-**	**1,776.08**
	855.86	*751.88*	-	-	-	*1,607.74*
Non Cash Expenditure other then Depreciation/ Amortisation	**0.44**	**13.32**	**-**	**-**	**-**	**13.76**
	0.66	*15.21*	-	-	-	*15.87*
Capital Expenditure	*3,953.06*	*1,476.48*	**-**	**-**	**-**	*5,429.54*
	3,547.51	*1,154.70*	-	-	-	*4,702.21*

Previous figures are given in italics

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

51 Additional information of net assets and share in profit or loss contributed by various entities as recognised under Schedule III of the Companies Act, 2013

Sr. No.	Name of the Entity	As % of Consolidated Net Assets as on 31st March, 2024	₹ in Crores	As % of Consolidated Profit or Loss for the year ended 31st March, 2024	₹ in Crores	As % of Consolidated Other Comprehensive Income for the year ended 31st March, 2024	₹ in Crores	As % of Consolidated Total Comprehensive Income for the year ended 31st March, 2024	₹ in Crores
1	Adani Energy Solutions Limited (Formerly known as Adani Transmission Limited)	48.91%	10,921.54	40.25%	594.91	0.01%	(0.02)	49.76%	594.89
	Subsidiaries (Indian)								
2	Maharashtra Eastern Grid Power Transmission Company Limited	18.14%	4,050.65	20.74%	306.49	0.21%	(0.59)	25.59%	305.90
3	Adani Transmission (India) Limited	13.99%	3,124.41	20.33%	300.43	0.03%	(0.08)	25.12%	300.35
4	Sipat Transmission Limited	0.60%	133.88	2.13%	31.42	2.99%	(8.46)	1.92%	22.96
5	Raipur-Rajnandgaon-Warora Transmission Limited	1.35%	300.93	4.79%	70.80	6.79%	(19.18)	4.32%	51.62
6	Chhattisgarh-WR Transmission Limited	0.96%	214.98	4.59%	67.90	4.88%	(13.79)	4.53%	54.11
7	Adani Transmission (Rajasthan) Limited	0.20%	44.37	0.75%	11.05	-	-	0.92%	11.05
8	North Karanpura Transco Limited	0.17%	38.69	0.52%	7.73	-0.01%	0.04	0.65%	7.77
9	Maru Transmission Service Company Limited	0.18%	39.24	0.62%	9.12	0.00%	0.00	0.76%	9.12
10	Aravali Transmission Service Company Limited	0.03%	7.20	0.23%	3.38	0.05%	(0.13)	0.27%	3.25
11	Western Transco Power Limited	1.05%	233.88	1.34%	19.81	0.00%	0.00	1.66%	19.81
12	Western Transmission (Gujarat) Limited	0.71%	158.53	0.86%	12.69	0.00%	0.00	1.06%	12.69
13	Hadoti Power Transmission Service Limited	0.51%	113.70	1.65%	24.33	0.83%	(2.35)	1.84%	21.98
14	Barmer Power Transmission Service Limited	0.42%	93.78	1.28%	18.96	0.58%	(1.64)	1.45%	17.32
15	Thar Power Transmission Service Limited	0.36%	80.44	1.16%	17.11	0.55%	(1.54)	1.30%	15.57
16	Fatehgarh-Bhadla Transmission Limited	-0.07%	(14.67)	0.15%	2.24	0.00%	-	0.19%	2.24
17	Ghatampur Transmission Limited	1.45%	323.50	4.49%	66.43	0.00%	0.01	5.56%	66.44
18	Adani Transmission Bikaner Sikar Private Limited	0.37%	83.64	0.88%	13.07	-	-	1.09%	13.07
19	OBRA-C Badaun Transmission Limited	0.44%	98.43	1.03%	15.23	0.00%	0.00	1.27%	15.23
20	Adani Electricity Mumbai Limited	20.55%	4,588.51	15.55%	229.86	50.34%	(142.21)	7.33%	87.65
21	Adani Electricity Navi Mumbai Limited (Formerly known as AEML Infrastructure Limited)	0.00%	(0.07)	0.00%	(0.01)	-	(0.00)	0.00%	(0.01)
22	Bikaner-Khetri Transmission Limited	0.98%	217.78	2.03%	29.97	0.00%	(0.00)	2.51%	29.97
23	WRSS XXI (A) Transco Limited	-0.04%	(9.20)	-0.43%	(6.39)	0.45%	(1.28)	-0.64%	(7.67)
24	Lakadia Banaskantha Transco Limited	-0.10%	(23.09)	-1.04%	(15.43)	0.32%	(0.90)	-1.37%	(16.33)
25	Jam Khambaliya Transco Limited	0.11%	24.02	0.03%	0.42	0.00%	0.00	0.04%	0.42
26	Arasan Infra Limited (Formerly Known as Arasan Infra Private Limited)	0.00%	(0.99)	-0.03%	(0.50)	0.00%	-	-0.04%	(0.50)
27	Sunrays Infra Space Limited (Formerly Known as Sunrays Infra Space Private Limited)	-0.01%	(3.13)	-0.11%	(1.59)	0.00%	-	-0.13%	(1.59)
28	Power Distribution Services Limited	0.03%	7.67	0.13%	1.94	0.00%	-	0.16%	1.94
29	Adani Electricity Mumbai Infra Limited	1.90%	423.49	0.00%	(0.01)	0.16%	(0.46)	-	(0.47)
30	Alipurduar Transmission Limited	1.47%	331.43	2.83%	42.02	0.00%	0.01	3.52%	42.03
31	Kharghar Vikhroli Transmission Limited (Formerly known as Kharghar Vikhroli Transmission Private Limited)	0.18%	40.16	2.77%	40.95	0.18%	(0.51)	3.38%	40.44
32	Warora Kurnool Transmission Limited	1.21%	269.91	-0.96%	(14.26)	-0.02%	0.05	-1.19%	(14.21)
33	AEML Seepz Limited	0.01%	2.92	0.04%	0.57	0.00%	-	0.05%	0.57
34	Adani Transmission Step One Limited	-19.00%	(4,241.23)	-29.43%	(434.93)	29.66%	(83.77)	-43.39%	(518.70)
35	MP Power Transmission Package-II Limited	0.61%	135.37	0.91%	13.40	-0.06%	0.16	1.13%	13.56
36	MPSEZ Utilities Limited (formerly known as MPSEZ Utilities Private Limited)	0.53%	117.77	1.13%	16.76	0.00%	-	1.40%	16.76
37	Karur Transmission Limited	0.00%	0.41	0.03%	0.45	0.00%	0.00	0.04%	0.45
38	Khavda-Bhuj Transmission Limited	0.61%	137.26	0.03%	0.46	-0.01%	0.02	0.04%	0.48
39	ATL HVDC Limited	-0.14%	(31.37)	-1.06%	(15.73)	2.09%	(5.89)	-1.81%	(21.62)
40	Adani Electricity Jewar Limited	0.00%	(0.04)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
41	Adani Transmission Step-Two Limited	0.00%	(0.46)	-0.03%	(0.41)	0.00%	-	-0.03%	(0.41)
42	Adani Transmission Mahan Limited	0.00%	(0.00)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
43	BEST Smart Metering Limited	0.00%	0.15	0.01%	0.14	0.00%	-	0.01%	0.14
44	Adani Cooling Solutions Limited	0.00%	(0.00)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
45	WRSR Power Transmission Limited	0.71%	159.21	0.00%	(0.01)	-0.01%	0.03	0.00%	0.02
46	Adani Transmission Step-Three Limited	0.00%	0.04	0.00%	0.03	0.00%	-	0.00%	0.03
47	Adani Transmission Step-Four Limited	0.00%	0.47	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
48	Adani Transmission Step-Five Limited	0.00%	(0.00)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
49	Adani Transmission Step-Six Limited	0.00%	0.00	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
50	Adani Transmission Step-Seven Limited	0.00%	0.00	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
51	Adani Transmission Step-Eight Limited	0.00%	0.00	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
52	NE Smart Metering Limited (Formerly known as Adani Transmission Step-Nine Limited)	0.00%	0.00	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
53	Adani Electricity Aurangabad Limited	0.00%	0.01	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
54	Adani Electricity Nashik Limited	0.00%	0.01	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
55	Khavda II-A Transmission Limited	0.39%	86.44	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
56	Adani Green Energy Thirty Limited	0.21%	48.00	-0.18%	(2.69)	0.00%	-	-0.23%	(2.69)
57	KPS 1 Transmission Limited	0.00%	(0.58)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
58	Sangod Transmission Service Limited	0.00%	(0.29)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
59	Halvad Transmission Limited	0.00%	0.00	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
60	Sunrays Infra Space Two Limited	0.00%	0.01	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
61	Arasan Infra Two Limited	0.00%	0.01	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
62	Adani Energy Solutions Step-Twelve Limited	0.00%	0.01	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
63	Adani Energy Solutions Step-Thirteen Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	Total	**100%**	**22,327.73**	**100%**	**1,478.01**	**100%**	**(282.47)**	**100%**	**1,195.54**
	Less: Adjustment of Consolidation		**7,563.02**		**282.40**		**-**		**282.40**
	Less: Non Controlling Interest		**1,061.58**		**58.33**		**(35.82)**		**22.51**
	Consolidated Net Assets/Profit after tax		**13,703.13**		**1,137.28**		**(246.65)**		**890.63**

52 As per Ind AS 19 "Employee Benefits", the disclosures are given below.

(a) Defined Contribution Plan

(i) Provident fund
(ii) Superannuation fund
(iii) State defined contribution plans
-Employer's contribution to Employees' state insurance
-Employers' Contribution to Employees' Pension Scheme 1995

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

(₹ in Crores)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Contribution to Provident Fund	43.10	42.36
Contribution to Employees Superannuation Fund	6.06	7.71
Contribution to Employees Pension Scheme	5.83	6.37
Total	**54.99**	**56.44**

(b) Defined Benefit Plan

The Group has a defined benefit gratuity plan (funded) and is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed at least five year of service is entitled to gratuity benefits on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India (LIC) in form of a qualifying insurance policy with effect from September 01, 2010 for future payment of gratuity to the employees.

Each year, the management reviews the level of funding in the gratuity fund. Such review includes the asset – liability matching strategy. The management decides its contribution based on the results of this review. The management aims to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

The Group operates a defined benefit plan (the Gratuity plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.
The status of gratuity plan as required under Ind AS-19:

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
i. Reconciliation of Opening and Closing Balances of defined benefit obligation		
Present Value of Defined Benefit Obligations at the beginning of the Year	677.31	703.26
Current Service Cost	33.47	39.54
Interest Cost	45.24	48.95
Re-measurement (or Actuarial) (gain) / loss arising from:		
- Change in demographic assumptions	0.77	0.28
- Change in financials assumptions	20.64	(23.25)
- Experience variance (i.e. Actual experience vs assumptions)	(8.38)	(27.16)
Liabilities Extinguished on Settlement	-	(18.16)
Benefits paid	(86.89)	(43.00)
Liabilities Transfer In/Out	(0.28)	(3.15)
Present Value of Defined Benefit Obligations at the end of the Year	**681.88**	**677.31**
ii. Reconciliation of Opening and Closing Balances of the Fair value of Plan assets		
Fair Value of Plan assets at the beginning of the Year	482.30	490.67
Investment Income	30.39	34.24
Contributions	5.88	7.52
Assets Transferred Out/ Divestments	(4.93)	(6.55)
Benefits paid	(86.64)	(40.98)
Return on plan assets, excluding amount recognised in net interest expenses	(1.73)	(2.60)
Fair Value of Plan assets at the end of the Year	**425.27**	**482.30**
iii. Reconciliation of the Present value of defined benefit obligation and Fair value of plan assets		
Present Value of Defined Benefit Obligations at the end of the Year	681.88	677.31
Fair Value of Plan assets at the end of the Year	(425.27)	(482.30)
Net Asset / (Liability) recognized in balance sheet as at the end of the year	**(256.61)**	**(195.01)**
iv. Composition of Plan Assets		
100% of Plan Assets are administered by LIC	-	-
v. Gratuity Cost for the Year		
Current service cost	33.47	39.54
Interest cost	45.24	48.95
(Gains)/Losses on Curtailments And Settlements	(0.43)	(18.16)
Expected return on plan assets	(30.39)	(34.25)
Amount Capitalised	(0.17)	(1.29)
Net Gratuity cost recognised in the statement of Profit and Loss	**47.72**	**34.79**
vi. Other Comprehensive Income		
Actuarial (gains) / losses		
Change in demographic assumptions	0.77	0.28
Change in financial assumptions	20.64	(23.25)
Experience variance (i.e. Actual experiences assumptions)	(8.38)	(27.16)
Return on plan assets, excluding amount recognised in net interest expense	1.73	2.60
Components of defined benefit costs recognised in other comprehensive income	**14.76**	**(47.53)**
vii. Actuarial Assumptions		
Discount Rate (per annum)	7.20% to 7.50%	6.98% to 7.50%
Annual Increase in Salary Cost (per annum)	8.00% to 10.50%	8.50% to 10.25%
Attrition Rate (per annum)	0.00% to 10.0%	0.00% to 40.0%
Mortality Table	100% of IALM 2012-14	100% of IALM 2012-14
viii. Maturity profile of Defined Benefit Obligation		
Weighted average duration (based on discounted cash flows)	5 to 29 years	3 to 29 years

ix. Expected contribution during the next annual reporting period

The Group's best estimate of contribution during the next year is ₹ 38.71 Crores.

x. Maturity Profile of Defined Benefit Obligation **(₹ in Crores)**

Particulars	As at 31st March, 2024	As at 31st March, 2023
The expected cash flows of defined benefit obligation over the future periods (valued on undiscounted bases)		
1 year	42.13	108.3
2 to 5 years	204.13	177.74
6 t0 10 years	345.43	318.47
Beyond 10 years	797.18	728.25

xi. Asset – Liability Matching Strategies

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk.

However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

(c) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Sensitivity analysis	As at 31st March, 2024		As at 31st March, 2023	
Particulars	**Decrease**	**Increase**	**Decrease**	**Increase**
Discount rate	86.09	73.37	73.36	63.22
Salary Growth Rate	70.85	82.07	61.38	70.02
Attrition Rate	39.25	37.44	31.32	28.95
Mortality Rate	27.24	27.22	21.18	21.16

These plans typically expose the Group to actuarial risks such as below

Interest Rate risk: The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liabilty.

Demographic Risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

53 <u>Contract balances:</u>

(a) The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers.

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Trade receivables (Refer note 13)	1,564.95	1,437.59
Unbilled Revenue (Refer note 8 and 17)	2,381.27	2,586.26
Contract Assets on account of Service Concession Arrangements (refer note 10 and 18)	892.89	-
Contract liabilities (Refer note 31 and 32)	297.72	210.49
Recoverable from / (Liabilities) towards consumers - regulatory assets / (liabilities) other than distribution	(19.36)	18.33

Contract assets

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract Assets are transferred to receivables when the rights become unconditional.

Contract liabilities

A Contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer, If the customer pays contribution before the Company transfers goods or services to the customers, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the performance of obligation is satisfied.

(b) Significant changes in contract assets and liabilities during the period:

(₹ in Crores)

Particulars		For the year ended 31st March, 2024	For the year ended 31st March, 2023
Opening Balance			
Recoverable from consumers		18.33	-
Liabilities towards consumers		-	2.94
	(A)	18.33	2.94
Income to be adjusted in future tariff determination (Net)		38.00	(21.27)
Movement in Regulatory deferral balance other comprehensive income		(0.31)	-
	(B)	37.69	(21.27)
Recoverable from consumers		-	18.33
Liabilities towards consumers		(19.36)	-
Closing Balance		(19.36)	18.33

Reconciliation the amount of revenue recognised in the statement of profit and loss with the contracted price:

(₹ in Crores)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Revenue as per contracted price	15,540.62	12,526.59
<u>Adjustments</u>		
Discounts	78.97	83.54
Revenue from contract with customers	**15,461.65**	**12,443.05**

54 Regulatory Deferral Account

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Regulatory Deferral Account - Liability		
Regulatory Liabilities	53.83	-
Regulatory Deferral Account - Assets		
Regulatory Assets	1,571.36	1,963.83
Net Regulatory Assets/(Liabilities)	**1,517.53**	**1,963.83**

Rate Regulated Activities

1 As per the Ind AS-114 'Regulatory Deferral Accounts', the business of electricity distribution is a Rate Regulated activity wherein Maharashtra Electricity Regulatory Commission (MERC) & Gujarat Electricity Regulatory Commission (GERC), the regulator determines Tariff to be charged from consumers based on prevailing regulations in place.

2 MERC Multi Year Tariff Regulations, 2019 (MYT Regulations), is applicable for the period beginning from 1 April, 2020 to 31 March, 2024. These regulations require MERC and GERC 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.

3 Risk associated with future recovery / reversal of regulatory deferral account balances
(a) regulatory risk on account of changes in regulations.
(b) other risks including currency or other market risks, if any.

4 Reconciliation of Regulatory Assets/Liabilities of distribution business as per Rate Regulated Activities is as follows:

(₹ in Crores)

S.No.	Particulars	As at 31st March, 2024	As at 31st March, 2023
A	**Opening Regulatory Assets (Net)**	1,963.83	852.46
	Add:		
B	Revenue Gap of current year	226.20	772.83
C	Accrued in respect of earlier year consequent to receipt of tariff order	(15.02)	338.54
	Closing Balance (A+B+C+D)	**2,175.01**	**1,963.83**
	Less:		
D	Recovered / (refunded) during the year	657.48	-
E	Net Movement during the year (B + C - D)	(446.30)	1,111.37
F	**Closing Balance (A + E)**	**1,517.53**	**1,963.83**

Note : The Group will recover regulatory gap of ₹ 828.60 Crores in FY 2024-25, out of ₹ 1,517.53 Crore while balance will be recovered over the life of the projects as per existing regulations.

55 (i) Impairment testing of intangible Assets

The Transmission license granted to AEML is an asset specific license which includes list of existing and proposed transmission lines as well as transmission bays in a specified area.

In accordance with the requirements of Ind AS 36 "Impairment of Assets", AEML as at 31 March, 2024 tested the Transmission Cash Generating Unit ("TCGU") which includes carrying value of Transmission License (₹ 981.62 crores) having indefinite useful life for impairment. The recoverable amount of the TCGU has been determined applying value in use approach. The value in use of the TCGU has been determined using Discounted Cash Flow Method (DCF).

In deriving the recoverable amount of the TCGU a discount rate (post tax) of 9.50 % (31 March 2023: 9.50%) per annum has been used. In arriving at the recoverable amount of the TCGU , financial projections have been developed for 6 years (31 March 2023: 6 years) and thereafter in perpetuity considering a terminal growth rate of 2% (31 March 2023: 1%) 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 no impairment loss is recorded during the year (31 March 2023 - Nil). Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the fair value of the Transmission License.

The key assumptions used in determining the recoverable amount of TCGU are as follows :

- Discount Rate: 9.50 % (31 March 2023: 9.50 %) Post-Tax Discount rate has been derived based on current cost of borrowing and equity rate of return in line with the current market expectations.

- Capital expenditure / Capitalisation: Capital expenditure and capitalisation for 6 years (31 March 2023: 6 years) is estimated based on management projections subject to regulatory approval and thereafter ₹ 675 crores per annum (31 March 2023: ₹ 500 crores per annum).

- Terminal growth rate considered at 2% per annum (31 March 2023 - 1% per annum).

(ii) Goodwill

(₹ in Crores)

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance at beginning of the year	598.29	598.29
Arising on account of Business combination	-	-
Balance at end of the year	**598.29**	**598.29**
Segment wise information of Goodwill generated on account of acquisitions over the years		
Transmission Segment	330.74	330.74
GTD Segment	267.55	267.55
	598.29	**598.29**

Impairment testing of Goodwill

The group tests on a annual basis, goodwill arising on business combination amounting to ₹ 576.02 crores for March, 2024 (₹ 576.02 crores for March 2023) which has been allocated to the respective Cash Generating Unit ("CGU")(ATIL, MEGPTCL and AEML) for impairment. Based on the annual impairment test no provision towards impairment was required necessary.

The recoverable amounts of the CGUs are determined from value-in-use calculations and the projections based on the period of the transmission and distribution licenses (including expected extensions).

The key assumptions for the value-in-use calculations are those regarding discount rates, growth rates, capital expenditure, and expected increase in direct costs . Management estimates discount rates using post-tax rates that reflect current market assessments of the time value of money. The growth rates are based on management's forecasts/ tariff regulations. Changes in direct costs are based on past practices and expectations of future changes in the market.

The Group prepares its forecasts based on the most recent financial budgets approved by management with projected revenue growth rates per respective tariff regulation wherein the revenue is determined considering the parameters/benchmarks laid down in the respective MERC/CERC tariff regulations.

The rates used to discount the forecasts is 8.56% to 10.51% p.a (Post Tax) (31 March, 2023 : 9.55% to 10% p.a (Post Tax))

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

56 During the previous year pursuant to an agreement between Adani Energy Solutions Limited ("AESL") (Formerly known as Adani Transmission Limited)) and its wholly owned subsidiaries, viz; Adani Transmission Step-One Limited ("ATSOL"), Adani Transmission (India) Limited ("ATIL"), and Maharashtra Eastern Grid Power Transmission company Limited ("MEGPTCL"), AESL has transferred/novated, as the case may be, its investments in equity shares of, and Inter Corporate Deposits placed with ATIL and MEGPTCL, USD denominated borrowings of Senior Secured Notes / Bonds (aggregating USD 937.50 million outstanding as at date of restructuring) along with corresponding hedge contracts, identified fixed assets, cash equivalent to restricted reserve and working capital loans to ATSOL after obtaining requisite approvals and consents. ATSOL has discharged the consideration towards acquisition of the said assets and liabilities by way of issuance of Compulsorily Convertible Debentures to AESL. The transaction being a common control transaction, does not affect the Consolidated Financial Statements of the Group.

57 a) During the year 2022-23, Maharashtra Electricity Regulatory Commission ("MERC") vide its order dated 31st March, 2023, has approved for (i) truing-up of the tariff for the period from the financial year 2019-20, 2020-21 & 2021-22, (ii) Provisional truing up of financial year 2022-23 and (iii) Aggregate Revenue Requirement (ARR) for FY 2023-24 and FY 2024-25 for Adani Transmission (India) Limited ("ATIL"), Maharashtra Eastern Grid Power Transmission Company Limited ("MEGPTCL") and Adani Electricity Mumbai Limited ("AEML"). Accordingly, based on the MERC order, during the year ended 31st March,2023, the Group has recognized revenue of ₹ 656.22 Crores for the period from April, 2019 to March, 2023. Under the circumstances, the figures for the current year are not comparable with the corresponding figures of the previous year, to that extent.

b) During the earlier year Maharashtra Eastern Grid Power Transmission Company Limited ("MEGPTCL"), had received MERC order vide dated 03rd June, 2021 and has given impact to the Hon'ble APTEL Judgment in the matter of Appeal No. 260 of 2016 dated 24th July, 2020, revised the Annual Revenue Requirement (ARR) of MEGPTCL retrospectively effective from 1st April, 2013 and directed MEGPTCL to claim the incremental ARR (including the related carrying cost) during the Mid Term Review (MTR) in FY 2023-24. Consequent to the above MERC order, during the year ended 31st March, 2023, MEGPTCL has recognized additional revenue from operations of ₹ 31.01 Crores for the period April, 2014 to March, 2022 and recognized ₹ 102.04 Crores for the year ended on 31st March, 2023. Under the circumstances, the figures for the current year are not comparable with the corresponding figures of the previous year, to that extent.

c) Central Electricity Regulatory Commission ("CERC") vide it's order dated 21st January, 2022, has partly disallowed certain expenses (interest and depreciation) in relation to truing up tariff petition for the control period 2015-19 and tariff determination petition for the control period 2020-24 filed by Adani Transmission (India) Limited ("ATIL"), a wholly owned subsidiary of the Company. The Management has, basis an external legal opinion, assessed that it has reasonably good case on merits in the light of the prevailing Tariff Regulations, settled principles of law as per earlier judicial precedence and, is in the process of preferring an appeal in Appellate Tribunal for Electricity against such CERC order. Having regard to the above, the disallowances aggregating to ₹ 108.11 Crores up to 31st March, 2023 are not reckoned with in the aforementioned results.

58 During the previous year, the Company had signed definitive agreements with Essar Power Limited ('EPL') for acquiring 673 Ckt. kms operational inter-state transmission project (Stage II) owned and operated by Essar Power Transmission Company Limited (EPTCL), a subsidiary of EPL. The Enterprise value for the transaction is ₹ 1,913.00 Crores. Pursuant to the agreement, the Company has given an interest bearing loan of ₹ 400.00 Crores and advance of ₹ 69.17 Crores towards acquisition to EPL. The transaction is expected to be completed by June 2024 as the approval of Central Electricity Regulatory Commission ("CERC") and National Company Law Tribunal ("NCLT") for bifurcation of the license is received.

59 Maharashtra Electricity Regulatory Commission ('MERC') vide its order dated 26th December 2022 granted an in-principal approval for the transfer of Adani Electricity Mumbai Limited ("AEML") distribution network infrastructure in Seepz SEZ area to AEML Seepz Limited ("ASL"), a subsidiary of Adani Energy Solution Limited. Based on the principles laid down by MERC, ASL filed requisite petitions for approval of tariff, power procurement plan and switchover/ changeover protocol (i.e. shifting of consumers from other Distribution Licensees to ASL and vice versa in SEEPZ area) which have been approved by MERC on 9th October 2023.

Subsequently, the AEML and ASL have entered into a Business Transfer agreement dated 1st November 2023 for transfer of Company's distribution network infrastructure (including movable and immoveable assets) in Seepz SEZ area as a going concern to ASL, on a slump sale for a total consideration of ₹ 36.96 crores. The transaction being a common control transaction, does not affect the Consolidated Financial Statements of the Group.

60 Pursuant to approval by Board of Directors in their meeting held on 26th May 2023 and approval of management committee of the Board of Directors of the Adani Electricity Mumbai Limited ("AEML") in their meeting held on 13th November 2023, during the year AEML has completed partial re-purchase of USD 120 million of its outstanding 3.949% USD 1,000 million senior secured notes due 2030, through cash Tender Offer for purchase price of USD 850 for early bid and USD 800 for post early bid per USD 1,000 principal amount based on the terms and conditions mentioned in tender offer memorandum, on 30th November 2023.

Post re-purchase, AEML has recognised one time income of ₹ 136.49 crores (net of expenses ₹ 13.57 crores) on derecognition of liability and has cancelled the aforementioned 3.949% USD 120 million Senior Secured notes due 2030.

61 During the year, the Group has recognised the deferred tax expense/credit with respect to the effective portion of gain/(losses) on a cash flow hedge classified in Other Comprehensive Income in accordance with Ind AS 12, Income Taxes. Pursuant to the impact of aforesaid changes, the Group has restated the numbers for the comparative periods, which has resulted increase in deferred tax credit on Other Comprehensive Income by ₹ 22.91 Crores for the year ended 31st March, 2023, with corresponding impact on Total Comprehensive Income for the year. The opening balances as at 1st April, 2022 have also been restated in respect of Other Equity increased by ₹ 69.56 crores, Non-Controlling Interest increased by ₹ 23.31 crores and Deferred Tax Liabilities decreased by ₹ 92.87 crores in respect of the above matter. As a result of the above, Other Equity and Non-Controlling Interest has been increased by ₹ 86.73 Crores and ₹ 29.05 Crores respectively and Deferred Tax Liabilities has been decreased by ₹ 115.78 Crores as at 31st March, 2023.

62 Non Controlling Interests (NCI)

Summary of financial information for Adani Electricity Mumbai Limited and its subsidiaires that has non-controlling interests (Shareholding of NCI : 25.10%) that are material to the Group. The amounts disclosed for a subsidiary are before inter-company eliminations.

(₹ in Crores)

Summarised Balance Sheet	31st March, 2024	31st March, 2023
Total Non-Current Assets	19,779.38	18,298.18
Total Current Assets	2,498.68	2,789.99
Regulatory Deferral Account - Assets	1,570.98	1,961.73
Total Assets	**23,849.04**	**23,049.90**
Non-Current Liabilities	14,596.97	14,091.53
Current Liabilities	4,250.63	3,744.86
Total Liabilities	**18,847.60**	**17,836.39**
Accumulated NCI	**1,255.36**	**1,308.59**

(₹ in Crores)

Summarised statement of Profit and Loss	31st March, 2024	31st March, 2023
Profit /(Loss) for the year	230.46	94.80
Other Comprehensive Income / (Loss) for the year	(142.67)	(51.07)
Total Comprehensive Income /(Loss) for the year	87.79	43.73
Profit/(Loss) Allocated to NCI	**57.85**	**23.79**
Total Comprehensive Income /(Loss) allocated to NCI	**22.04**	**10.98**

(₹ in Crores)

Summarised Cash Flow allocated	31st March, 2024	31st March, 2023
Net cash from operating activities for the year	2,342.05	1,184.07
Net cash (used in) investing activities for the year	(1,399.43)	(1,056.52)
Net cash (used in) financing activities for the year	(654.32)	(124.95)
Net increase / (decrease) in cash and cash equivalents	**288.30**	**2.60**

63 During the year, Adani Energy Solutions Limited (Formerly known as Adani Transmission Limited) (the Parent Company)

i) Signed a Share Purchase Agreement (SPA) and completed the acquisition of the SPV, KPS 1 Transmission Limited ("KPS1"), incorporated by Megha Engineering & Infrastructures Limited. KPS1 will aim to implement KPS1-Khavda PS GIS (KPS2) 765 kV double circuit line & augmentation of Khavda PS1.

ii) Signed a Share Purchase Agreement (SPA) and completed the acquisition of the SPV, Sangod Transmission Service Limited ("STSL"), incorporated by Rajasthan Rajya Vidyut Prasaran Nigam Limited. STSL will aim to establish Transmission Project – RAJ/PPP – 11 – 2X 400/220kV, 500MVA GSS at Sangod along with 220/132kV, 160 MVA transformer and associated transmission line.

iii) Signed a Share Purchase Agreement (SPA) and completed the acquisition of the SPV, Halvad Transmission Limited ("HTL"), incorporated by PFC Consulting Limited. HTL project consists of evacuation of 7 GW of renewable energy (RE) from Khavda RE Park, under the Phase III Part A package. The project includes setting up a 765 kV Halvad switching station with 765 kV, 2x330 MVAr bus reactors and LILO (Line-In Line-Out) of the Lakadia – Ahmedabad 765 kV D/C line at Halvad.

The above entities SPV's are with fixed tariff revenues under the Transmission Services Agreements (TSAs). The only key activity for these SPV's, once the SPV is operational, is the maintenance of the transmission assets which is or will be outsourced to third parties. There are no employees retained on acquisition and no other significant processes were existed for earning tariff revenues.

Based on evaluation of the above fact pattern vis-à-vis the guidance on definition of business under Ind AS and also keeping in view the relevant guidance on similar fact pattern available under accounting standards applicable in other jurisdictions, the management has classified the acquisition of transmission SPVs as asset acquisition.

Summary of assets acquired and liabilities assumed as part of Assets acquisition when compared to the consideration paid is as below :

Net amount of Assets and Liabilities (₹ in Crores)

Particulars	KPS 1 Transmission Limited	Sangod Transmission Service Limited	Halvad Transmission Limited
Date of Acquisition	**17th August, 2023**	**5th October, 2023**	**26th December, 2023**
Assets			
Non-current assets			
Property, Plant and Equipment	-	8.84	-
Capital Work-In-Progress	-	0.35	-
Contract Assets	16.56	-	18.42
	16.56	**9.19**	**18.42**
Current assets			
Cash and cash equivalents	0.01	0.05	0.01
	0.01	**0.05**	**0.01**
Total Assets (i)	**16.57**	**9.24**	**18.43**
Total Liabilities(ii)	**0.58**	**2.52**	**-**
Net Assets (i-ii)	**15.99**	**6.72**	**18.43**

Consideration Transferred : (₹ in Crores)

Particulars	KPS 1 Transmission Limited	Sangod Transmission Service Limited	Halvad Transmission Limited
Consideration Paid in cash	15.99	6.72	18.43

64 During the previous financial year, a short seller report ("SSR") was published in which certain allegations were made on certain Adani Group Companies including the Company and its subsidiaries. In this regard, certain writ petitions were filed with the Hon'ble Supreme Court ("SC") seeking independent investigation of the allegations in the SSR and the Securities and Exchange Board of India ("SEBI") also commenced investigating the allegations made in the SSR for any violations of applicable SEBI Regulations. The SC also constituted an expert committee to investigate and advise into the various aspect of existing laws and regulations, and also directed the SEBI to consider certain additional aspects in its scope. The Expert committee submitted its report dated 6th May 2023, finding no evidence of regulatory failure, in respect of applicable laws and regulations. The SEBI also concluded its investigations in twenty two of the twenty-four matters as per the status report dated 25th August 2023 to the SC.

The SC in it's order dated 3rd January 2024, disposed off all matters of appeal in various petitions including petitions for separate independent investigations relating to the allegations in the SSR (including other allegation) and stated that the SEBI should complete the pending two investigations, preferably within 3 months, and take its investigations (including the twenty-two investigations already completed) to their logical conclusion in accordance with law. During the quarter, the Company has received Show Cause Notice (SCN) from the SEBI relating to validity of Peer Review Certificate (PRC) of one of the former statutory auditor in respect of an earlier period, which the Company has responded. Based on legal advice obtained, management believes that the matter is technical in nature and has no material consequential effects to relevant financial statements, and that there is no material non-compliance of applicable laws and regulations.

In April 23, the Company had obtained a legal opinion by independent law firm, confirming (a) none of the alleged related parties mentioned in the short-seller report were related parties to the Company or its subsidiaries, under applicable frameworks; and (b) the Company and its subsidiaries are in compliance with the requirements of applicable laws and regulations.

Based on the legal opinions, the SC order and the fact that there are no pending regulatory or adjudicatory proceedings as of date, except as mentioned above, the management concludes that there are no consequences of the allegations mentioned in the SSR and other allegations on the Company and its subsidiaries and accordingly, these Consolidated financial statement do not have any adjustments in this regard.

65 The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company uses an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software, However, the audit trail feature is not enabled at database level for accounting software SAP S/4 HANA to log any direct data changes for users with certain privileged access rights. Further there is no instance of audit trail feature being tampered with in respect of the accounting software where such feature is enabled.

Presently, the log is enabled at the application level and the privileged access to HANA database continues to be restricted to limited set of users who necessarily require this access for maintenance and administration of the database.

66 Ultimate Beneficiary Disclosure

(i) During the year, the loan amount of ₹ 177.49 Crores was advanced by Adani Energy Solutions Limited (Parent Company) on various dates involving 14 transactions in months of April 2023, May 2023, June 2023 and July 2023 to ATL HVDC Limited (a wholly owned subsidiary of the company), which has been further advanced by this entity on same dates to Adani Electricity Mumbai Infra Limited (a subsidiary of the company).

(ii) During the year, ATL HVDC Limited (a subsidiary of the company) has received ₹ 705.54 Crores by way of foreign currency loan on various dates involving 3 transactions in months of August 2023, October 2023 and January 2024, which has been further advanced on same dates to Adani Electricity Mumbai Infra Limited (a fellow subsidiary).

(iii) During the year, the loan amount of ₹ 80 Crores was advanced by Adani Properties Private Limited (an entity over which ultimate controlling entity or KMP have control or significant influence) involving 2 transactions in months of April 2023 and May 2023 to Sunrays Infra Space Limited (a wholly owned subsidiary of the company), which has further advanced such loan to Adani Energy Solutions Limited (Parent Company).

The intra-group loan transactions with subsidiaries / fellow subsidiaries during the year are in compliance with the Foreign Exchange Management Act, 1999 (42 of 1999), Companies Act, 2013 and not in violation of Prevention of Money-Laundering Act, 2002 (15 of 2003) and are in normal course of business to optimize the group cash flows and are eliminated in full in the consolidated financial statements.

67 Statutory disclosures

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

(ii) The Group does not have any benami property, where any proceeding has been initiated or pending against the Group for holding any benami property.

(iii) The quarterly returns or statements of Current assets filed by the Group with the banks or financial institutions are in agreement with the books of accounts.

68 Subsequent Event

The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of consolidated financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the consolidated financial statements. As of 30th April, 2024, there are no subsequent events to be recognized or reported that are not already disclosed.

69 The Consolidated Financial Statements for the year ended 31st March, 2024 have been approved by the Audit Committee and approved by the Board of Directors at their meetings held on 30th April, 2024.

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No : 001076N/N500013

NEERAJ GOEL
Partner
Membership No : 99514

Place : Gurugram
Date : 30th April, 2024

For and on behalf of the Board of Directors
ADANI ENERGY SOLUTIONS LIMITED
(Formerly known as Adani Transmission Limited)

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director
DIN: 00006867

KANDARP PATEL
Chief Executive Officer

KUNJAL MEHTA
Chief Financial Officer

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 30th April, 2024

INDEPENDENT AUDITOR'S REPORT
To The Members of Adani Transmission Limited
Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of **Adani Transmission Limited** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the ATL Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of subsidiaries referred to in the Other Matters section below, except for the possible effects of the matter described in the Basis for Qualified Opinion 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 ATL Group as at March 31, 2023, 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 Qualified Opinion

The ATL Group had purchases, sales and financing transactions (including equity) with/by certain parties including those identified in the allegations made in the Short Seller Report. The ATL Group has represented to us that there is no effect of the allegations made in the Short Seller Report on the consolidated financial statements based on their evaluation and after consideration of a memorandum prepared by an external law firm on the responses to the allegations in the Short Seller Report issued by the Adani group. The ATL Group did not consider it necessary to have an independent external examination of these allegations because of their evaluation and the ongoing investigation by the Securities and Exchange Board of India as directed by the Hon'ble Supreme Court of India. The evaluation performed by the ATL Group, as stated in Note 59 to the consolidated financial statements, does not constitute sufficient appropriate audit evidence for the purposes of our audit. In the absence of an independent external examination by the ATL Group and pending completion of investigation, including matters referred to in the Report of the Expert Committee constituted by the Hon'ble Supreme Court of India as described in Note 59 to the consolidated financial statements, by the Securities and Exchange Board of India, we are unable to comment on whether these transactions or any other transactions may result in possible adjustments and/or disclosures in the consolidated financial statements in respect of related parties, and whether the ATL Group should have complied with the applicable laws and regulations.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. 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 ATL 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. Except for the matter described in the Basis for Qualified Opinion section above, we believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraph (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No	**Key Audit Matter Description**	**Auditor's Response**
1	**Short Seller Report ("the Report")(Refer to Basis for Qualified Opinion section above)** In January 2023, there was a Short Seller Report containing allegations relating to the Adani group of companies. The Report alleged that transactions with certain parties named in the Report were not appropriately identified and reported as related parties, which were not in compliance with applicable laws and regulations. The ATL Group had purchases, sales and financing transactions (including equity) with/by certain parties including those identified in the allegations made in the Short Seller Report. The allegations in the Report are under investigation by the Securities and Exchange Board of India in accordance with the direction and monitoring of the Hon'ble Supreme Court of India.	**Principal audit procedures performed** • We inquired with the ATL Group on their approach to assess these allegations to ascertain whether there is any effect on the consolidated financial statements • We requested the ATL Group to initiate an independent external examination of these allegations to determine whether these allegations may have any possible effect on the consolidated financial statements of the ATL Group. The ATL Group represented to us that these allegations have no effect on the consolidated financial statements of the ATL Group, based on the evaluation it performed and because of the ongoing investigation by the Securities and Exchange Board of India as directed by the Hon'ble Supreme Court of India, did not consider it necessary to initiate an independent external examination • We evaluated the assessment performed by the ATL Group, as described in Note 59 to the consolidated financial statements and have read the memorandum prepared by an external law firm which the Parent considered in its assessment, to determine whether these allegations

		have any possible effect on the consolidated financial statements of the ATL Group. The assessment by the ATL Group did not constitute sufficient appropriate audit evidence for the purposes of our audit • In the absence of an independent external examination by the ATL Group and because of insufficient appropriate audit evidence described immediately above, we have performed alternative audit procedures in respect of these allegations including consideration of information relating to the ownership and association of the parties identified in the Report to the extent publicly available. • We also evaluated the design of the internal controls in respect of allegations made on the ATL Group.
2	**Hedge accounting and the related disclosures for currency derivatives:** (Refer to Note 49 to the Consolidated Financial Statements) As explained in Note 2.4(i) of the consolidated financial statements, the ATL Group has foreign currency exposures from foreign currency denominated borrowings. The ATL Group has hedged its foreign currency exposure through various currency derivative contracts which are recorded at fair value and has applied hedge accounting. Due to the changes in risks and estimates during the lifecycle of these derivative contracts, we identified the hedge accounting for currency derivatives and the adequacy of the related disclosures as a key audit matter because of the degree of subjectivity/management judgment required to determine hedge effectiveness and requires management to maintain hedge documentation. These transactions may have a significant financial effect.	**Principal audit procedures performed:** • We obtained an understanding of and tested the design and implementation and operating effectiveness of the management's controls over the determination of a hedge, adequacy of hedge documentation, evaluation of the hedge effectiveness, fair valuation of currency derivatives and hedge accounting. • For a sample of the derivative contracts: i. Inspected the hedge documentations for such derivative contracts and evaluated the management’s assessment of hedge effectiveness. ii. Tested the existence of the derivative contracts outstanding as at March 31, 2023 by obtaining confirmations directly from contract counterparties for the currency derivatives. iii. Reperformed the fair valuations with the involvement of our internal fair valuation specialists, to evaluate the reasonability of fair values of the currency derivatives and the hedge effectiveness thereof has been appropriately determined by the management;

		• Assessed the adequacy of the disclosures in respect of the currency derivatives and hedge accounting in accordance with the disclosure requirements of Ind AS 107-Financial Instruments: Disclosures, Ind AS 113-Fair Value Measurement.
3	**Impairment of Transmission License having indefinite life:** (Refer to Note 56(i) to the Consolidated Financial Statements) As per the requirements of Ind AS 36, the ATL Group is required to test Intangible assets with indefinite life, being Transmission License, for impairment on an annual basis. Accordingly, the ATL Group has carried out a detailed evaluation of the recoverable value of transmission license and has concluded that the carrying value of the transmission license is good and recoverable. Since, the evaluation of recoverable values involves multitude of factors and assumptions involved in determining the forecasted revenues/cash flows and discount rate in the projection period, we have identified the impairment evaluation of transmission license as a key audit matter.	**Principal audit procedures performed:** • We evaluated the design, implementation and tested the operating effectiveness of controls over impairment assessment process which *inter alia* included the management's evaluation of the reasonableness of estimates including those over the forecasts of future revenues, future capital expenditure and selection of discount rates. • We obtained management's impairment assessment and performed the following substantive procedures: i. Evaluated the reasonableness of key assumption including revenue, future capital expenditure terminal values and selection of discount rates. ii. Evaluated the appropriateness of other key assumptions considered, in developing the projections by considering the historical accuracy of the ATL Group's estimates in the prior periods. iii. With the assistance of our internal fair value specialists we evaluated the appropriateness of the valuation methodology and the reasonability of the discount rate, by developing a range of independent estimates and comparing those to the discount rate selected by management. iv. Performed a sensitivity analysis to determine the effect of variation in the cash flow estimates.
4	**Accrual of Regulatory Deferrals:** (Refer to Note 55 to the Consolidated Financial Statements) In the respect of the Distribution business of the ATL Group, the tariff is determined by the respective Electricity Regulatory Commissions on	**Principal audit procedures performed:** • We evaluated the design and implementation and tested operating effectiveness of the management's controls over accrual of regulatory deferrals.

	cost plus return on equity basis wherein the cost is subject to certain laid down benchmarks/ norms. The ATL Group invoices its customers on the basis of pre-approved tariff which is based on provisional tariff orders and is subject to final true up exercise to be adjusted in the future tariff. The ATL Group recognizes revenue on the basis of tariff invoiced to consumers. As the ATL Group is entitled to a fixed return on equity, the ATL Group recognizes regulatory deferral for the shortage / excess compared to the entitled return on equity. Based on its assessment, the ATL Group has recognised net regulatory deferral asset of Rs. 1,963.83 crores as at March 31, 2023 (including income of Rs. 1,035.58 crores for the year recognised in statement of profit and loss and expense of Rs. 47.94 crores recognised in Other comprehensive income). The regulatory deferrals are determined based on tariff regulations, tariff orders, judicial pronouncements etc. and are subject to verification and approval by the regulators. Further, the costs incurred are subject to laid down norms/benchmarks. Significant judgements and estimates are made in determining the regulatory deferrals including interpretation of tariff regulations, and accordingly we have classified the determination of such regulatory deferrals as a key audit matter.	• For the regulatory deferral determined by the ATL Group, we have: i. Examined the workings of the regulatory deferral with the balance as per the books of account to confirm the appropriate determination of return on equity. ii. Evaluated the reasonability of key estimates used by the ATL Group in determining regulatory deferrals by comparing it with tariff regulations, prior years orders and past precedents.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's reports thereon.

- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.

- If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion section above, in the absence of an independent external examination by the ATL Group and pending completion of investigation, including matters referred to in the Report of the Expert Committee constituted by the Hon'ble Supreme Court of India as described in Note 59 to the consolidated financial statements, by the Securities and Exchange Board of India, we are unable to comment whether the transactions stated in Basis for Qualified Opinion section above or any other transactions may result in possible adjustments and/or disclosures in the consolidated financial statements in respect of related parties, and whether the ATL Group should have complied with the applicable laws and regulations. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the ATL 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 ATL Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the ATL Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management of the companies included in the ATL Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the ATL Group are also responsible for overseeing the financial reporting process of the ATL Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls with reference to consolidated financial statements 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 ATL 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 ATL 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 ATL 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 audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We are not statutory auditors of majority of the other Adani group companies and therefore the scope of our audit does not extend to any transactions or balances which may have occurred or been undertaken between these Adani group companies and any supplier, customer or any other party which has had a business relationship with the ATL Group during the year.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter.

(b) We did not audit the financial statements of 46 subsidiaries, whose financial statements reflect total assets of Rs. 20,168.95 crores as at March 31, 2023, total revenues of Rs. 2,120.91 crores and net cash outflows amounting to Rs. 20.33 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

(c) We did not audit the financial statements of 3 subsidiaries, whose financial statements reflect total assets of Rs. 18.32 crores as at March 31, 2023, total revenues of Rs. NIL and net cash inflows amounting to Rs. 0.02 Crores 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 these subsidiaries, 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 ATL Group.

Our opinion on the consolidated financial statements 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 work done and the reports of the other auditors and 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 reports of the other auditors on the separate financial statements of subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and except for the matter described in the Basis for Qualified Opinion section above, 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) Except for the possible effects of the matter described in the Basis for Qualified Opinion section above, 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 and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) Except for the possible effects of the matter described in the Basis for Qualified Opinion section above, in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) The matter described in the Basis for Qualified Opinion section above, in our opinion, may have an adverse effect on the functioning of the ATL Group.

   f) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2023 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the ATL Group companies incorporated in India are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

   g) The qualification relating to the maintenance of accounts and other matters connected therewith, are as stated in the Basis for Qualified Opinion section and in the paragraph (b) above.

   h) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent Company and subsidiary companies incorporated in India. Our report expresses a qualified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies, for the reasons stated therein.

   i) 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 and based on the auditor's reports of subsidiary companies incorporated in India, the remuneration paid by the Parent Company and such subsidiary companies to their directors during the year is in accordance with the provisions of section 197 of the Act.

j) 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 ATL Group, Refer Note 43 to the consolidated financial statements;

ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent Company, and its subsidiary companies incorporated in India.

iv) (a) The respective Managements of the Parent Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the note 64(i) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the note 64(ii) to the consolidated financial statements, no funds have been received by the Parent Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, except for the possible effects of the matter described in the Basis for Qualified Opinion section above, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) As stated in note 21(viii) to the consolidated financial statements, the interim dividend declared by the Board of Directors of one of the subsidiary companies subsequent to the year end is in accordance with section 123 of the Companies Act 2013 to the extent it applies to declaration of dividend. However, the said dividend was not due for payment on the date of this audit report.

vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023 to the Parent Company and its subsidiaries which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent Company, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements except for the following:-

Name of the company	**CIN**	**Nature of relationship**	**Clause Number of CARO report with qualification or adverse remark**
Adani Transmission Limited	L40300GJ2013PLC077803	Parent	iii (b), iii (c), iii(d), iii (e), iv, ix (e), xi (a), xi (c), xiii
Adani Trans Step-One Limited	U40108GJ2020PLC116749	Wholly Owned Subsidiary	iii (c), iii (e), xi (a), xi (c), xiii
Adani Electricity Mumbai Limited	U74999GJ2008PLC107256	Subsidiary	xi (a), xi (c), xiii
Sunrays Infra Space Limited (Formerly Known as Sunrays Infra Space Private Limited)	U40106GJ2019PLC110679	Wholly Owned Subsidiary	xiii

In respect of the following companies included in the consolidated financial statements, whose audits under section 143 of the Act has not yet been completed, the CARO Report as applicable in respect of those entities are not available and consequently have not been provided to us on the date of this audit report:

Name of the Component	CIN	Nature of Relationship
Adani Electricity Aurangabad Limited	U35107GJ2023PLC139233	Wholly Owned Subsidiary
Adani Electricity Nashik Limited	U35107GJ2023PLC139258	Wholly Owned Subsidiary
Khavda-II A Transmission Limited	U40200DL2022GOI396828	Wholly Owned Subsidiary

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hardik Sutaria
(Partner)
(Membership No. 116642)
(UDIN: 23116642BGWGBE9629)

Place: Ahmedabad
Date: May 29, 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to consolidated financial statements 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 financial statements of the Parent as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of **Adani Transmission Limited** (hereinafter referred to as "the Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements 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 with reference to consolidated financial statements of the Parent and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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.

Except for the matter described in the Basis for Qualified Opinion section below, we believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial control with reference to consolidated financial statements 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2023:

The ATL Group did not have an appropriate internal control system in respect of conducting an external examination of allegations made on the ATL Group, including on related party relationships, which could potentially result in possible adjustments/disclosures of related party relationships, balances and transactions in the consolidated financial statements and compliance with applicable laws and regulations.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to consolidated financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph below, except for the possible effects of the material weakness described in Basis for Qualified Opinion section above on the achievement of the objectives of the control criteria, the Parent and its subsidiary companies, which are companies incorporated in India have, in all material respects, maintained adequate internal financial controls with reference to consolidated financial statements as of March 31, 2023, based on the criteria for internal financial control with reference to consolidated financial statements 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, were operating effectively as of March 31, 2023.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Parent for the year ended March 31, 2023, and we have issued a qualified opinion on the said consolidated financial statements.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to 46 subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hardik Sutaria
(Partner)
(Membership No. 116642)
(UDIN: 23116642BGWGBE9629)

Place: Ahmedabad
Date: May 29, 2023

adani Transmission

(₹ in Crores)

Particulars	Notes	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
Non-current Assets			
Property, Plant and Equipment	5.1	30,295.28	27,905.02
Capital Work-In-Progress	5.2	6,200.44	5,060.16
Right of Use Assets	5.3	652.22	673.00
Goodwill		598.29	598.29
Other Intangible Assets	5.1	1,099.35	1,095.46
Financial Assets			
(i) Investments	6	312.89	264.17
(ii) Loans	7	26.10	1,128.54
(iii) Other Financial Asset	8	3,974.70	3,631.64
Income Tax Assets (Net)	9	60.78	88.87
Other Non-current Assets	10	1,804.84	1,541.22
Total Non-current Assets		**45,024.89**	**41,986.37**
Current Assets			
Inventories	11	151.91	250.11
Financial Assets			
(i) Investments	12	1,056.79	296.35
(ii) Trade Receivables	13	1,437.59	1,070.84
(iii) Cash and Cash Equivalents	14	190.64	189.05
(iv) Bank Balances other than (iii) above	15	1,513.50	1,203.82
(v) Loans	16	477.20	7.81
(vi) Other Financial Assets	17	1,906.39	1,065.83
Other Current Assets	18	209.01	269.91
Total Current Assets		**6,943.03**	**4,353.72**
Total Assets before Regulatory Deferral Account		**51,967.92**	**46,340.09**
Regulatory Deferral Account - Assets	55	1,963.83	1,124.02
Total Assets		**53,931.75**	**47,464.11**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	19	1,115.49	1,099.81
Unsecured Perpetual Equity Instrument	20	-	3,055.65
Other Equity	21	10,546.95	5,757.36
Total Equity attributable to Equity Owners of the Company		**11,662.44**	**9,912.82**
Non-Controlling Interests		1,097.55	1,093.68
Total Equity		**12,759.99**	**11,006.50**
Liabilities			
Non-current Liabilities			
Financial Liabilities			
(i) Borrowings	22	31,330.39	27,774.04
(ia) Lease Liabilities	23	51.69	66.12
(ii) Trade Payables	24		
(A) total outstanding dues of micro enterprises and small enterprises;		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		32.76	32.22
(iii) Other Financial Liabilities	25	338.84	334.81
Other Non-Current Liabilities	26	332.96	290.25
Provisions	27	527.73	617.47
Deferred Tax Liabilities (Net)	28	1,540.10	1,414.46
Total Non-current Liabilities		**34,154.47**	**30,529.37**
Current Liabilities			
Financial Liabilities			
(i) Borrowings	29	2,868.45	2,040.54
(ia) Lease Liabilities	23	19.50	21.09
(ii) Trade Payables	30		
(A) total outstanding dues of micro enterprises and small enterprises;		46.43	26.37
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		1,754.00	1,581.54
(iii) Other Financial Liabilities	31	1,837.82	1,556.29
Other Current Liabilities	32	363.79	347.60
Provisions	27	119.29	70.91
Current Tax Liabilities (Net)	33	8.01	12.34
Total Current Liabilities		**7,017.29**	**5,656.68**
Total Liabilities before Regulatory Deferral Account		**41,171.76**	**36,186.05**
Regulatory Deferral Account-Liabilities	55	-	271.56
Total Equity and Liabilities		**53,931.75**	**47,464.11**
Summary of significant accounting policies	2		
See accompanying notes forming part of the consolidated financial statements			

As per our attached report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors
ADANI TRANSMISSION LIMITED

HARDIK SUTARIA
Partner

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director
DIN: 00006867

BIMAL DAYAL
CEO - Transmission

KANDARP PATEL
CEO - Distribution

ROHIT SONI
Chief Financial Officer

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 29th May, 2023

Place : Ahmedabad
Date : 29th May, 2023

Consolidated Statement of Profit and Loss for the year ended 31st March, 2023

(₹ in Crores)

Particulars	Notes	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Income			
Revenue from Operations			
(i) From Generation, Transmission and Distribution Business	34	12,537.07	10,435.61
(ii) From Trading Business	35	755.65	821.91
Other Income	36	547.74	603.95
Total Income		**13,840.46**	**11,861.47**
Expenses			
Cost of Power Purchased		3,839.98	2,778.88
Cost of Fuel		1,384.18	1,065.99
Purchases of Stock-in-Trade	37	755.13	821.23
Employee Benefits Expense	38	986.65	885.07
Finance Costs	39	2,781.47	2,364.95
Depreciation and Amortisation Expense	5.4	1,607.74	1,427.15
Other Expenses	40	1,809.17	1,500.18
Total Expenses		**13,164.32**	**10,843.45**
Profit Before Rate Regulated Activities, Tax and Deferred Assets recoverable/adjustable for the year		**676.14**	**1,018.02**
Net movement in Regulatory Deferral Account Balances - Income/(Expenses)	55	1,035.58	682.47
Profit Before Tax and Deferred Assets recoverable/adjustable for the year		**1,711.72**	**1,700.49**
Tax Expense:	41		
Current Tax		260.94	244.23
Deferred Tax		174.39	191.83
Total Tax expenses		**435.33**	**436.06**
Profit After Tax for the year but before Deferred Assets recoverable/adjustable		**1,276.39**	**1,264.43**
Deferred assets recoverable/adjustable		4.21	(28.68)
Profit After Tax for the year		**1,280.60**	**1,235.75**
Other Comprehensive Income/(Loss)			
(a) Items that will not be reclassified to profit or loss			
- Remeasurement gain / (loss) of Defined Benefit Plan		47.53	16.37
- Movement in Regulatory Deferral Balance		(47.94)	-
- Tax relating to items that will not be reclassified to Profit or Loss		(8.36)	(2.89)
(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		(341.59)	(262.79)
- Tax relating to items that will be reclassified to Profit or Loss		48.73	(2.44)
Total Other Comprehensive Income/ (Loss) for the year (Net of Tax)		**(301.63)**	**(251.75)**
Total Comprehensive Income for the year		**978.97**	**984.00**
Profit/ (Loss) for the year attributable to:			
Owners of the Company		1,256.33	1,204.61
Non-controlling interests		24.27	31.14
		1,280.60	**1,235.75**
Other Comprehensive Income / (Loss) for the year attributable to:			
Owners of the Company		(283.07)	(217.19)
Non-controlling interests		(18.56)	(34.56)
		(301.63)	**(251.75)**
Total Comprehensive Income/ (Loss) for the year attributable to:			
Owners of the Company		973.26	987.42
Non-controlling interests		5.71	(3.42)
		978.97	**984.00**
Earnings Per Share (EPS) (in ₹) (Face Value ₹ 10 Per Share)	42		
Basic / Diluted Earnings per Equity Share (Face Value of ₹ 10 each) after Net movement in Regulatory Deferral Account Balances (₹)		11.10	8.90
Basic / Diluted Earnings per Equity Share (Face Value of ₹ 10 each) before Net movement in Regulatory Deferral Account Balances (₹)		5.35	5.06

See accompanying notes forming part of the consolidated financial statements

As per our attached report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

HARDIK SUTARIA
Partner

Place : Ahmedabad
Date : 29th May, 2023

For and on behalf of the Board of Directors
ADANI TRANSMISSION LIMITED

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director
DIN: 00006867

BIMAL DAYAL
CEO - Transmission

KANDARP PATEL
CEO - Distribution

ROHIT SONI
Chief Financial Officer

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 29th May, 2023

Statement of Consolidated Cash flows for the year ended 31st March, 2023

(₹ in Crores)

	Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
A.	**Cash flows from operating activities**		
	Profit before tax	1,711.72	1,700.49
	Adjustments for:		
	Depreciation and Amortisation Expense	1,607.74	1,427.15
	Amortisation of Service Line Contribution	(15.03)	(11.05)
	Gain on Sale/Fair Value of Current Investments measured at FVTPL	(21.24)	(10.12)
	Finance Costs	2,781.47	2,364.95
	Interest Income	(494.77)	(508.99)
	Unclaimed liabilities / Excess provision written back	(0.51)	(0.80)
	Bad Debt Written Off	15.21	18.31
	Provision for Doubtful Debts, Advances, Deposits	18.58	-
	Sundry creditors written back	(2.44)	(57.41)
	Loss on sale/scrapping of Property, Plant and Equipment	0.20	4.12
	Foreign Exchange Fluctuation Loss	0.46	1.00
	Operating profit before working capital changes	**5,601.39**	**4,927.65**
	Changes in Working Capital:		
	(Increase) / Decrease in Operating Assets :		
	Inventories	98.20	(15.85)
	Trade Receivables	(394.95)	(105.44)
	Other Financial Assets and Other Assets	(495.57)	(331.67)
	Regulatory Deferral Account - Assets	(839.81)	(682.47)
	Increase / (Decrease) in Operating Liabilities :		
	Trade Payables	219.55	433.45
	Regulatory Deferral Account - Liabilities	(271.56)	-
	Other Financial Liabilities, Other Liabilities and Provisions	105.30	137.80
	Cash generated from operations	**4,022.55**	**4,363.47**
	Taxes paid (Net)	(245.56)	(266.86)
	Net cash generated from operating activities (A)	**3,776.99**	**4,096.61**
B.	**Cash flows from investing activities**		
	Purchase of Property, Plant and Equipment (including capital advance)	(4,702.21)	(4,190.86)
	Acquisition of Subsidiaries	(36.75)	(143.48)
	Advance for Acquisition	(6.35)	-
	Proceeds/(Purchase) of Investments (Contingency Reserve) (net)	(48.67)	(32.70)
	Proceeds/(Purchase) of current investment (net)	(726.02)	(89.45)
	(Deposits in) Bank deposits (net) (Including Margin money deposit)	(279.11)	48.64
	Advances Given	-	(607.22)
	Advances Received back	-	607.22
	Non-current Loans Given	(2,003.76)	(767.40)
	Non-current Loans received back	3,106.20	707.80
	Current Loan (Given to) / Received back (net)	(469.39)	21.53
	Interest Received	467.35	497.89
	Net cash used in investing activities (B)	**(4,698.71)**	**(3,948.03)**
C.	**Cash flows from financing activities**		
	Payment of lease liabilities	(25.87)	(31.26)
	Increase in Service Line Contribution	59.52	25.80
	Proceeds from issuance of Share Capital including share premium	3,850.00	-
	Proceeds from Long-term borrowings	5,169.59	8,211.61
	Repayment of Long-term borrowings	(3,573.23)	(5,564.49)
	Proceeds/repayment from Short-term borrowings (net)	731.20	(511.05)
	Repayment of Unsecured Perpetual Equity Instrument (including distribution)	(3,075.49)	(0.34)
	Finance Cost paid	(2,212.50)	(2,365.13)
	Net cash generated from / (used in) financing activities (C)	**923.22**	**(234.86)**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**1.50**	**(86.28)**
	Cash and cash equivalents at the beginning of the year	**189.05**	**263.68**
	Cash and cash equivalents acquired on acquisition of subsidiaries	0.09	11.65
	Cash and cash equivalents at the end of the year	**190.64**	**189.05**

Cash and Cash Equivalents includes (Refer note 14)	**As at 31st March, 2023**	**As at 31st March, 2022**
Balances with banks		
In current accounts	152.55	165.85
Fixed Deposits (with original maturity for three months or less)	23.53	13.28
Cheque / Draft on Hand	14.13	9.12
Cash on Hand	0.43	0.80
Total Cash and Cash Equivalents	**190.64**	**189.05**

Notes to Statement of Consolidated Cash Flows:

1 The Statement of Consolidated Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 "Statement of Cash Flows"

2 Disclosure under Para 44A as set out in Ind AS 7 on Statement of Cash Flows under Companies (Indian Accounting Standards) Rules, 2015 (as amended) is given below:

(₹ in Crores)

Particulars	1st April, 2022	Cash Flows (net)	Unrealised Foreign Exchange Gain/(Loss)	Other	31st March, 2023
Long-term Borrowings (Including Current Maturities of Long Term Debt)#	28,359.16	1,596.36	1,954.84	101.86	**32,012.22**
Short term Borrowings	1,455.42	731.20	-	-	**2,186.62**
Unsecured perpetual Equity Instrument including Distribution*	3,055.65	(3,075.49)	-	19.84	**-**
TOTAL	**32,870.23**	**(747.93)**	**1,954.84**	**121.70**	**34,198.84**

(₹ in Crores)

Particulars	1st April, 2021	Cash Flows (net)	Unrealised Foreign Exchange Gain/(Loss)	Other	31st March, 2022
Long-term Borrowings (Including Current Maturities of Long Term Debt)#	24,994.51	2,647.12	764.49	(46.96)	**28,359.16**
Short term Borrowings	1,966.47	(511.05)	-	-	**1,455.42**
Unsecured perpetual Equity Instrument including Distribution*	2,829.71	(0.34)	-	226.28	**3,055.65**
TOTAL	**29,790.69**	**2,135.73**	**764.49**	**179.32**	**32,870.23**

*Other Includes Distribution on perpetual Equity Instrument.

#Other Includes Balances taken over on acquisition of Subsidiaries, Interest accrued converted to loan and Amortised cost of borrowings.

See accompanying notes forming part of the consolidated financial statements

As per our attached report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

HARDIK SUTARIA
Partner

Place : Ahmedabad
Date : 29th May, 2023

For and on behalf of the Board of Directors
ADANI TRANSMISSION LIMITED

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director
DIN: 00006867

BIMAL DAYAL
CEO - Transmission

KANDARP PATEL
CEO - Distribution

ROHIT SONI
Chief Financial Officer

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 29th May, 2023

A. Equity Share Capital

Particulars	No. of Shares	(₹ in Crores)
Balance as at 1st April, 2021	**1,09,98,10,083**	**1,099.81**
Issue of shares during the year	-	-
Balance As at 31st March, 2022	**1,09,98,10,083**	**1,099.81**
Issue of shares during the year	1,56,82,600	15.68
Balance As at 31st March, 2023	**1,11,54,92,683**	**1,115.49**

B. Unsecured Perpetual Equity Instrument

Particulars	(₹ in Crores)
Balance as at 1st April, 2021	**2,829.70**
i) Add: Availed during the year	-
ii) Add: Distribution on Unsecured Perpetual Equity Instrument	225.95
iii) Less: Repaid during the year	-
Balance As at 31st March, 2022	**3,055.65**
i) Add: Availed during the year	-
ii) Add: Distribution on Unsecured Perpetual Equity Instrument	19.81
iii) Less: Repaid during the year	(3,075.46)
Balance As at 31st March, 2023	**-**

C. Other Equity

(₹ in Crores)

Particulars	Attributable to owners of the Company										Non - controlling interest	Total Equity
	Reserves and Surplus								Item of other comprehensive income	Total Attributable to owners of the Company		
	Capital Reserve	General Reserve	Retained Earnings	Capital Redemption Reserve	Debenture Redemption Reserve	Self Insurance Reserve	Contingency Reserve	Securities Premium	Effective portion of cashflow Hedge			
Balance as at 1st April, 2021	**208.87**	**1,207.95**	**1,009.33**	**2,436.53**	**12.28**	**12.65**	**284.91**	**-**	**(182.75)**	**4,989.77**	**1,103.58**	**6,093.35**
Profit for the year	-	-	1,204.61	-	-	-	-	-	-	1,204.61	31.14	1,235.75
Add/(Less): Other comprehensive income for the year (Net of Tax)	-	-	9.92	-	-	-	-	-	(227.11)	(217.19)	(34.56)	(251.75)
(Less): Distribution on Unsecured perpetual Equity Instrument	-	-	(226.30)	-	-	-	-	-	-	(226.30)	-	(226.30)
Add/ (Less): Transfer from Retained Earning to Contingency Reserve	-	-	(43.51)	-	-	-	49.98	-	-	6.47	(6.47)	-
Add /(Less): Appropriation to Self Insurance Reserve	-	(6.00)	-	-	-	6.00	-	-	-	-	-	-
Add / (Less): Transfer from Retained Earning to Debenture Redemption Reserve	-	-	1.13	-	(1.13)	-	-	-	-	-	-	-
Balance As at 31st March, 2022	**208.87**	**1,201.95**	**1,955.18**	**2,436.53**	**11.15**	**18.65**	**334.89**	**-**	**(409.86)**	**5,757.36**	**1,093.68**	**6,851.04**
Profit for the year	-	-	1,256.33	-	-	-	-	-	-	1,256.33	24.27	1,280.60
Add/(Less): Other comprehensive income for the year (Net of Tax)	-	-	(6.67)	-	-	-	-	-	(276.41)	(283.08)	(18.56)	(301.64)
(Less): Distribution on Unsecured perpetual Equity Instrument	-	-	(19.83)	-	-	-	-	-	-	(19.83)	-	(19.83)
Add/ (Less): Transfer from Retained Earning to Contingency Reserve	-	-	(21.74)	-	-	-	23.59	-	-	1.85	(1.85)	-
Add /(Less): Appropriation to Self Insurance Reserve	-	(25.01)	-	-	-	25.01	-	-	-	-	-	-
Add /(Less): Addition on account of issue of shares during the year	-	-	-	-	-	-	-	3,834.32	-	3,834.32	-	3,834.32
Add/(Less): Transfer from Retained Earning to Debenture Redemption Reserve	-	-	(13.89)	-	13.89	-	-	-	-	-	-	-
Balance As at 31st March, 2023	**208.87**	**1,176.94**	**3,149.38**	**2,436.53**	**25.04**	**43.66**	**358.48**	**3,834.32**	**(686.27)**	**10,546.95**	**1,097.55**	**11,644.50**

See accompanying notes forming part of the consolidated financial statements

As per our attached report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors
ADANI TRANSMISSION LIMITED

HARDIK SUTARIA
Partner

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director
DIN: 00006867

BIMAL DAYAL
CEO - Transmission

KANDARP PATEL
CEO - Distribution

ROHIT SONI
Chief Financial Officer

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 29th May, 2023

Place : Ahmedabad
Date : 29th May, 2023

1 Corporate information

Adani Transmission Limited ("The Company") is a public limited company incorporated and domiciled in India having CIN no L40300GJ2013PLC077803. It's ultimate holding entity is S. B. Adani Family Trust (SBAFT), having its registered office at 'Adani Corporate House', Shantigram, Near Vaishno Devi Circle, S.G.Highway, Khodiyar, Ahmedabad - 382421, Gujarat, India. The Company and its subsidiaries (together referred to as "the Group") is incorporated to carry on the business of establishing, commissioning, setting up, operating and maintaining electric power transmission systems and to peruse acquisition of available opportunity in power transmission systems/networks. The Group develops, owns and operates transmission lines across the States of Gujarat, Rajasthan, Bihar, Jharkhand, Uttar Pradesh, Maharashtra, Haryana, Chhattisgarh, Madhya Pradesh, West Bengal, Andhra Pradesh, Telangana, Karnataka and Tamil Nadu . The Group has entered in Generation and Distribution business in Mumbai through acquisition of Integrated Mumbai Power Business i.e. Business of Generation, Transmission and Distribution (GTD) and provide facility of distribution of electricity, effluent & sewage treatment in Mundra SEZ area, Kutch, Gujarat. The Group has entered in to new business opportunities through Optical Ground Wire (OPGW) fibres on transmission lines with the ambition of expanding its telecom solutions to Telcos, Internet service providers and long distance communication operators. The commercialization of the network shall be done through leasing out spare capacities to potential communication players. The Group also deals in various Bullions and agro-commodities. The Group gets synergetic benefit of the integrated value chain of Adani Group.

2 Significant accounting policies

2.1 Statement of Compliance

The Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards (IndAS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 ("the Act") (as amended from time to time).

2.2 Basis of Preparation

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The Consolidated financial statements are presented in Indian Rupee (INR) and all values are rounded off to the nearest Crores (Transactions below ₹ 50,000.00 denoted as ₹ 0.00), unless otherwise indicated.

2.3 Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and subsidiaries as at March 31, 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- has power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders:
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Statement of Profit and Loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The list of Companies included in consolidation, relationship with Adani Transmission Limited and it's shareholding therein is as under:
The reporting date for all the entities is 31st March, 2023

Sr. No.	Name of Company	Country of Incorporation	Relationship	Shareholding as on 31st March 2023	Shareholding as on 31st March 2022
1	Adani Transmission (India) Limited	India	Subsidiary	100%	100%
2	Maharashtra Eastern Grid Power Transmission Company Limited	India	Subsidiary	100%	100%
3	Sipat Transmission Limited#	India	Subsidiary	100%	100%
4	Raipur-Rajnandgaon-Warora Transmission Limited#	India	Subsidiary	100%	100%
5	Chhattisgarh-WR Transmission Limited#	India	Subsidiary	100%	100%
6	Adani Transmission (Rajasthan) Limited#	India	Subsidiary	100%[1]	100%[1]
7	North Karanpura Transco Limited	India	Subsidiary	100%	100%
8	Maru Transmission Service Company Limited	India	Subsidiary	100%	100%
9	Aravali Transmission Service Company Limited	India	Subsidiary	100%	100%
10	Hadoti Power Transmission Service Limited#	India	Subsidiary	100%	100%
11	Barmer Power Transmission Service Limited#	India	Subsidiary	100%	100%
12	Thar Power Transmission Service Limited#	India	Subsidiary	100%	100%
13	Western Transco Power Limited	India	Subsidiary	100%	100%
14	Western Transmission (Gujarat) Limited	India	Subsidiary	100%	100%
15	Fatehgarh-Bhadla Transmission Limited	India	Subsidiary	100%	100%
16	Ghatampur Transmission Limited	India	Subsidiary	100%	100%
17	Adani Electricity Mumbai Limited	India	Subsidiary	74.90%	74.90%
18	Adani Electricity Navi Mumbai Limited (Formerly known as AEML Infrastructure Limited)	India	Subsidiary	100%	100%
19	OBRA-C Badaun Transmission Limited	India	Subsidiary	100%	100%
20	Adani Transmission Bikaner Sikar Private Limited	India	Subsidiary	100%[2]	100%[2]
21	WRSS XXI (A) Transco Limited	India	Subsidiary	100%	100%
22	Bikaner Khetri Transco Limited	India	Subsidiary	100%	100%
23	Lakadia banaskantha Transco Limited	India	Subsidiary	100%	100%
24	Jamkhambhaliya Transco Limited	India	Subsidiary	100%	100%
25	Arasan Infra Limited (Formerly Known as Arasan Infra Private Limited)	India	Subsidiary	100%	100%
26	Sunrays Infra Space Limited (Formerly Known as Sunrays Infra Space Private Limited)	India	Subsidiary	100%	100%
27	Power Distribution Services Limited	India	Subsidiary	74.90%	74.90%
28	Adani Electricity Mumbai Infra Limited (100% subsidiary of AEML)	India	Subsidiary	74.90%	74.90%
29	Khar Ghar Vikhroli Transmission Limited (Formerly known as Khar Ghar Vikhroli Transmission Private Limited)	India	Subsidiary	100%	100%
30	Alipurduar Transmission Limited	India	Subsidiary	100%[3]	100%[3]
31	AEML Seepz Limited (100% subsidiary of AEML)	India	Subsidiary	74.90%	74.90%
32	Adani Transmission Step One Limited	India	Subsidiary	100%	100%
33	Warora Kurnool Transmission Limited	India	Subsidiary	100%	100%
34	ATL HVDC Limited	India	Subsidiary	100%	100%
35	MP Power Transmission Package-II Limited	India	Subsidiary	100%	100%
36	MPSEZ Utilities Limited (formerly known as MPSEZ Utilities Private Limited)	India	Subsidiary	100%	100%
37	Karur Transmission Limited	India	Subsidiary	100%	100%
38	Khavda-Bhuj Transmission Limited	India	Subsidiary	100%	100%
39	Adani Electricity Jewar Limited	India	Subsidiary	100%	-
40	Adani Transmission Step-Two Limited	India	Subsidiary	100%	-
41	Adani Transmission Mahan Limited	India	Subsidiary	100%	-
42	BEST Smart Metering Limited	India	Subsidiary	100%	-
43	Adani Cooling Solutions Limited	India	Subsidiary	100%	-
44	WRSR Power Transmission Limited	India	Subsidiary	100%	-
45	Adani Transmission Step-Three Limited	India	Subsidiary	100%	-
46	Adani Transmission Step-Four Limited	India	Subsidiary	100%	-
47	Adani Transmission Step-Five Limited	India	Subsidiary	100%	-
48	Adani Transmission Step-Six Limited	India	Subsidiary	100%	-
49	Adani Transmission Step-Seven Limited	India	Subsidiary	100%	-
50	Adani Transmission Step-Eight Limited	India	Subsidiary	100%	-
51	Adani Transmission Step-Nine Limited (Now Known as "NE Smart Metering Limited")	India	Subsidiary	100%	-
52	Adani Electricity Aurangabad Limited	India	Subsidiary	100%	-
53	Adani Electricity Nashik Limited	India	Subsidiary	100%	-
54	Khavda II-A Transmission Limited	India	Subsidiary	100%	-
55	Adani Green Energy Thirty Limited	India	Subsidiary	100%	-
56	Adani-LCC JV	India	Partnership Firm	20%	-

#USPP Group

1. Adani Transmission (Rajasthan) Limited (ATRL) has entered into a contract (Transmission Service Agreement) with Rajasthan Rajya Vidyut Prasaran Nigam Limited (RRVPNL) providing for the issue and allotment of one non-transferable equity share of ATRL (the "Golden Share") in favour of the RRVPNL.

2. Adani Transmission Bikaner Sikar Private Limited (ATBSPL) has entered into a contract (Transmission Service Agreement) with Rajasthan Rajya Vidyut Prasaran Nigam Limited (RRVPNL) providing for the issue and allotment of one non-transferable equity share of ATBSPL (the "Golden Share") in favour of the RRVPNL.

3. The Group has signed definitive agreements with Kalpataru Power Transmission Limited (KPTL) on 5th July 2020 for acquisition of Alipurduar Transmission Limited (APTL) in a manner consistent with Transmission Service Agreement and applicable consents. The Group has already acquired of 49% Equity Shares of Alipurduar Transmission Limited ("APTL") and during the year 2022-23, Group has further acquired additional 25% equity shares of APTL from KPTL in a manner consistent with Transmission Service Agreement and applicable consents. Further, the balance 26% equity shares of APTL will be acquired from KPTL after obtaining requisite approvals.

2.4 Summary of significant accounting policies

(a) Property, plant and equipment

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

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

Fixtures equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

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

i) Depreciation on property, plant and equipment in respect of Mumbai Generation, Transmission and Distribution business except (ii) and (iii) of the Group covered under Part B of Schedule II of the Companies Act, 2013, has been provided on the straight line method at the rates using the methodology as notified by the regulator.

For certain types of assets in respect of which useful life is not specified in MERC Multi Year Tariff Regulations ("MYT regulations"), useful life as prescribed under Schedule-II of Companies Act, 2013 is considered.

ii) In respect of assets (other than Dahanu Thermal Power Station-DTPS) which have been accounted at fair value, considering life as specified in MYT regulations, depreciation is provided on Straight Line Method (considering a salvage value of 5%) over their balance useful life. In respect of DTPS based on technical evaluation, the balance useful life has been determined as 15 years as on 01 April, 2018.

iii) In respect of assets other than (i) & (ii) above, Salvage value in respect of assets which have not been accounted at fair value has been considered at 10% except in respect of Furniture & Fixture, Vehicles, Office Equipment and Electrical Installations which has been considered at 5% and Computers & Software at Nil (Consequent to amendment in tariff regulations, the Company has changed the Salvage value of Computers from 5 % to Nil w.e.f. 01 April 2020).

Derecognition

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

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

Type of Assets	Useful lives
Building	3-60 Years
Plant and Equipment (Except Meters & Batteries)	25-35 Years
Plant and Equipment - Meters	10 Years
Plant and Equipment - Batteries	10 Years
Furniture and Fixtures	3-15 Years
Street Light	25 Years
Office Equipment	3-15 Years
Computer Equipment	3-6 Years
Vehicles	8-15 Years
Distribution Line / Transmission Cable	35 Years
Plant and Equipment, Building at DTPS	15 Years

Consequent to amendment in tariff regulations, w.e.f. 12 July 2022 Adani Electricity Mumbai Limited (AEML) has changed the useful life (years) in respect of Batteries (from 5 to 10), Computers (from 6 to 6/3), Furniture and Fixtures (from 10 to 15), Vehicles (from 8-10 to 15) and Roads Bridges (from 15 to 30).

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

Service line contribution received from consumers towards unconnected lines are recognised under other current financial liabilities till such lines are fully commissioned. When the lines are fully commissioned and capitalised in books, such contribution received is recognised in carrying value of such lines from the block of property, plant and equipment. MUL present the service lines contribution as deferred revenue under the head of non-current liabilities. Further, hitherto, the company presented depreciation charge on such assets as net of amortisation on such contribution being capitalised, the depreciation is presented on gross value and amortisation of such line is being presented as other operating income.

(b) Intangible assets

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

In respect of Intangible Asset ("Assets") pertaining to Mumbai Generation, Transmission and Distribution business during the year with effect from 29th August, 2018, the group has accounted for such Assets at their respective fair values based on the valuation done by professional valuation firm. Subsequent additions to the assets after 29th August, 2018 are accounted for at cost.

In respect of Intangible Asset ("Assets") pertaining to Mumbai Generation, Transmission and Distribution business acquired from Reliance Infrastructure Limited under a Court sanctioned scheme of arrangement with an appointed date of 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.

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 and distribution License	Indefinite
Computer Software	3-5 years

(c) Intangible Assets Under Development - Software

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

(d) Impairment of PPE and intangible assets other than Goodwill

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

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

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

(e) Current versus Non-Current Classification

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

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

All other assets are classified as non-current.
A liability is treated as current when:

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

The Group classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.
The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

(f) Cash & Cash Equivalents

Cash & cash equivalents comprises cash on hand, cash at bank and short term deposit with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash & cash equivalents include balance with banks which are unrestricted for withdrawal and usage.

For the purpose of the statement of cash flows, cash & cash equivalents consists of cash at banks and short term deposits as defined above, as they are considered an integral part of the Group's cash management.

(g) Statement of Cash Flows

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

(h) Financial Instruments

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

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

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

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

(A) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

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

i) Classification of financial assets

a) Financial assets at amortised cost

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

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

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

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

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

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

ii) Effective interest method

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

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

iii) Derecognition of financial assets

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

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

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

iv) Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Group estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument. The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on financial instruments has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that will results if default occurs within the 12 months after the reporting date and this, are not cash shortfalls that are predicted over the next 12 months. If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses. When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable recognition and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are expedient as permitted under Ind AS 109, this expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

v) Foreign exchange gains and losses

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

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

vi) Impairment of investments

The Group reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted in the statement of profit and loss.

(B) Financial liabilities and equity instruments

i) Classification as debt or equity

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

ii) Equity instruments

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

iii) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the Effective Interest Rate (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

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

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

such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

the financial liability whose performance is evaluated on a fair value basis, in accordance with the Group's documented risk management;

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

v) Financial liabilities at amortised cost

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

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

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

vi) Foreign exchange gains and losses

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

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

vii) Derecognition of Financial Liability

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

(C) Reclassification of financial assets and liabilities

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

(D) Offsetting of financial instruments

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

(i) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement:

In order to hedge its exposure to foreign exchange and interest rate risks, the Group enters into forward contracts, Principal only Swaps (POS) and other derivative financial instruments. The Group does not hold derivative financial instruments for speculative purposes.

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

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

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

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

To qualify for hedge accounting, the hedging relationship must meet all of the following requirements:

-there is an economic relationship between the hedged item and the hedging instrument

-the effect of credit risk does not dominate the value changes that result from that economic relationship

-the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

• Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.

• Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting.

The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the statement of profit and loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in statement of profit and loss.

Hedge accounting is discontinued when the Group revokes the hedge relationship, the hedging instrument or hedged item expires or is sold, terminated, or exercised or no longer meets the criteria for hedge accounting.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

Amounts recognised in OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Cost of inventory includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Unserviceable/damaged stores and spares are identified and written down based on technical evaluation.

(k) (i) Business combinations and Goodwill

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

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

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

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

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

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

(ii) Acquisition of Transmission SPVs classified as asset acquisitions

The Group acquires transmission SPVs' from third parties. The Purchase consideration primarily pertains to the fair value of the transmission assets. Transmission SPV's are with fixed tariff revenues under the Transmission Services Agreements (TSAs). The only key activity for these SPV's is the maintenance of the transmission assets which is or will be outsourced to third parties. There are no employees retained on acquisition and no other significant processes are performed for earning tariff revenues.

Based on evaluation of the above fact pattern vis-à-vis the guidance on definition of business under Ind AS and also keeping in view the relevant guidance on similar fact pattern available under accounting standards applicable in other jurisdictions, the management has classified the acquisition of transmission SPVs as asset acquisition.

(l) Foreign currencies

The functional currency of the Group is Indian Rupee ₹.

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

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for:

(i) exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and

(ii) exchange differences on transactions entered into in order to hedge certain foreign currency risks

(m) Fair value measurement

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

(i) In the principal market for the asset or liability; or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Fair value measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

(ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

(iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per The Group's accounting policies. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(n) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

i) Power Transmission Services

Revenue from contracts with customers comprises of revenue from power transmission services rendered India to Long Term Transmission Customers (LTTCs) pursuant to the respective Transmission Services Agreements (TSAs) executed by the Group with LTTCs for periods upto 35 years. The Group is required to ensure that the transmission assets meet the minimum availability criteria under the respective TSAs. The Group's performance obligation under the TSAs is to provide power transmission services. The performance obligation is satisfied over time as the customers receive and consume the benefits provided by the Group's performance as the Group performs. Accordingly, the revenue from power transmission services is recognised over time based on the transmission asset availabilities and the tariff charges approved under the respective regulatory tariff orders and includes unbilled revenues accrued up to the end of the accounting period. The payment is generally due within 30-60 days upon receipt of monthly invoice by the LTTCs.

Income from transmission system incentive is accounted for based on certification of availability by respective regulatory nominated body. Where certification by the regulatory nominated body is not available, incentive is accounted for on provisional basis as per estimate of availability by the Group and differences, if any is accounted upon receipt of certification.

ii) Service Concession Arrangements

The group through Six of its subsidiaries also has been operating and maintaining the power transmission system including sub-station constructed to provide services for a specified period of time in accordance with the transmission agreement entered into with the grantor. Under Appendix D to Ind AS 115, this arrangement is considered as Service Concession Arrangement and in accordance with para 16 of the Appendix D to Ind AS 115, rights to receive the consideration from the grantor for providing services has been recognised as "financial assets". Finance Income for Service Concession Arrangements under finance assets model is recognised using effective interest rate method.

iii) Sale of Power-Distribution business

Revenue from sale of power is recognised net of cash discount over time for each unit of electricity delivered at the pre-determined rate as determined by the respective State Electricity Regulatory Commission. Sales of power under Deviation settlement mechanism is recognised at variable cost.

iv) Amortisation of Service Line Contribution

Contributions by consumers towards items of property, plant and equipment, which require an obligation to provide electricity connectivity to the consumers, are recognised as a credit to deferred revenue. Such revenue is recognised over the useful life of the property, plant and equipment.

v) Sale of Goods

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

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The amount of revenue can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the Group;
- there is no significant judgement involved while evaluating the timing as to when customers obtain control of promised goods and services.

vi) Other 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.

Interest on Overdue Receivables / Delayed Payment Charges:

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

Power Distribution Business: "Consumers are billed on a monthly basis and are given average credit period of 15 to 30 days for payment. No delayed payment charges ('DPC') / interest on arrears ('IOA') is charged for the initial 15-30 days from the date of invoice to customers. Thereafter, DPC / IOA is charged at the rate prescribed in the tariff order on the outstanding amount. 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.

(o) Borrowing costs

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

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

Substantial time is defined as time required for commissioning of the assets considering industry benchmarks/MERC tariff regulations.

(p) Employee benefits

i) Defined benefit plans:

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees through Group Gratuity Scheme of Life Insurance Corporation of India. The Group accounts for the liability for the gratuity benefits payable in future based on an independent actuarial valuation carried out using Projected Unit Credit Method considering discounting rate relevant to Government Securities at the Balance Sheet Date.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in the statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs
- Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements; and
- Net interest expense or income.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Defined benefit costs in the nature of current and past service cost and net interest expense or income are recognized in the statement of profit and loss in the period in which they occur. Actuarial gains and losses on remeasurement is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur and is reflected immediately in retained earnings and not reclassified to profit or loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment.

ii) Defined contribution plan:

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

iii) Compensated Absences:

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

iv) Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

(q) Leases

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

Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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

i) Right-of-use assets

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.

ii) Lease Liabilities

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method.

(r) Taxation

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

i) Current tax

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

ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction other than a business combination that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

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

Regulators tariff norms in respect of certain subsidiaries which operate under cost plus tariff regime, provide the recovery of Income Tax from the beneficiaries by way of grossing up the return on equity based on effective tax rate for the financial year shall be based on the actual tax paid during the year on the transmission income from certain subsidiaries . Accordingly, deferred tax liability provided during the year which is fully recoverable from beneficiaries and known as "deferred assets recoverable / adjustable". The same will be recovered when the related deferred tax liability forms a part of current tax.

(s) Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

(t) Provisions, Contingent Liabilities and Contingent Assets.

i) Provisions

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

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

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

Present obligations arising under onerous contracts are recognised and measured as provisions with charge to statement of profit and loss. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

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

iii) Contingent assets
A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.
Contingent assets are not recognised but disclosed only when an inflow of economic benefits is probable.

(u) Regulatory Deferral Account
The Group determines revenue gaps (i.e. surplus/shortfall in actual returns over returns entitled) in respect of its regulated operations in accordance with the provisions of Ind AS 114 "Regulatory Deferral Accounts" read with the Guidance Note on Rate Regulated Activities issued by ICAI and based on the principles laid down under the relevant Tariff Regulations/Tariff Orders notified by the Electricity Regulator and the actual or expected actions of the regulator under the applicable regulatory framework. Appropriate adjustments in respect of such revenue gaps are made in the regulatory deferral account of the respective year for the amounts which are reasonably determinable and no significant uncertainty exists in such determination. These adjustments/accruals representing revenue gaps are carried forward as Regulatory deferral accounts debit/credit balances (Regulatory Assets/Regulatory Liabilities) as the case may be in the financial statements, which would be recovered/refunded through future billing based on future tariff determination by the regulator in accordance with the electricity regulations.

The Group presents separate line items in the balance sheet for:
i. the total of all regulatory deferral account debit balances; and
ii. the total of all regulatory deferral account credit balances.
A separate line item is presented in the Statement of Profit and Loss for the net movement in regulatory deferral account. Regulatory assets/ liabilities on deferred tax expense/income is presented separately in the tax expense line item.

(v) Dividend distribution to equity shareholders

The Group recognises a liability to make dividend distributions to its equity holders when the distribution is authorised and the distribution is no longer at its discretion. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.
In case of Interim Dividend, the liability is recognised on its declaration by the Board of Directors.

3 Significant accounting judgements, estimates and assumptions

Critical accounting judgements and key sources of estimation uncertainty

The application of the group accounting policies as described in Note 2, in the preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.
The estimates and underlying assumptions are reviewed on an ongoing basis and any revisions thereto are recognized in the period in which they are revised or in the period of revision and future periods if the revision affects both the current and future periods. Actual results may differ from these estimates which could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

3.1 Property, plant and equipment:(PPE)

i) Service concession arrangements[1]
The Group has assessed applicability of Appendix C of Ind AS - 115 "Service Concession Arrangements" with respect to its transmission assets portfolio. In assessing the applicability, the Group have exercised judgement in relation to the provisions of the Electricity Act, 2003, transmission license and / or agreements etc.

ii) Depreciation rates, depreciation method and residual value of property, plant and equipment[1]
Depreciation is recognised based on the cost of assets (other than land) less their residual values over their useful lives.

i) Depreciation in respect of assets related to electricity transmission business covered under Part B of Schedule II of the Companies Act, 2013, has been provided on the straight line method at the rates using the methodology as notified by the respective regulators.

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

iii) Impairment of property plant and equipment[2]
At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

3.2 Taxation:

Deferred tax assets[2]
Deferred tax assets are recognised for unused tax losses / credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Regulators tariff norms provide the recovery of Income Tax from the beneficiaries by way of grossing up the return on equity based on effective tax rate for the financial year shall be based on the actual tax paid during the year on the transmission income. Accordingly, deferred tax liability provided during the year which is fully recoverable from beneficiaries and known as "deferred assets recoverable / adjustable". The same will be recovered when the related deferred tax liability forms a part of current tax.

3.3 Fair value of Assets and liabilities acquired on business combination and Assets Acquisition are considered at fair value[2].

3.4 Impairment of Goodwill and other intangible assets with indefinite life[2]

Goodwill and other intangible assets with indefinite life are tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments. (Refer Note 2.4 (k))

3.5 Judgement to estimate the amount of provision required or to determine required disclosure related to litigation and claim against the Group[2]

3.6 Fair value measurement of financial instruments[2]

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

3.7 Employee benefit plans:

Defined benefit plans and other long-term employee benefits[2]

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

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

3.8 Acquisition of Transmission SPV's classified as Assets acquisitions[1]

The Group acquires transmission SPVs' from third parties. The Purchase consideration primarily pertains to the fair value of the transmission assets. Transmission SPV's are with fixed tariff revenues under the Transmission Services Agreements (TSAs) for 35 years. The only key activity for these SPV's is the maintenance of the transmission assets which is or will be outsourced to third parties. There are no employees retained on acquisition and no other significant processes are performed for earning tariff revenues.

Based on evaluation of the above fact pattern vis-à-vis the guidance on definition of business under IND AS and also keeping in view the relevant guidance on similar fact pattern available under accounting standard applicable in other justifications, the management has classified the acquisition of Transmission SPV's as assets acquisition.

[1] **Critical accounting judgements**

[2] **Key sources of estimation uncertainties**

4 Recent accounting pronouncements

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

Ind AS 1-Presentation of Financial Statements:-

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

Ind AS 12 – Income Taxes

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

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

The amendments will help Group to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Group develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

5. Property, Plant and Equipment, Intangible Assets and Capital Work in Progress

5.1 Property, Plant and Equipment

(₹ in Crores)

Description of Assets	Tangible Assets												Intangible Assets		
	Land (Free hold)	Building	Plant and Equipment	Furniture and Fixtures	Office Equipment	Computer Equipment	Vehicles	Railway Slidings	Distribution System	Jetties	Electrical Installation	Total	Computer Software	Transmission and distribution License	Total
I. Gross Carrying Amount															
Balance as at 1st April, 2021	**2,763.75**	**1,028.21**	**20,474.49**	**23.22**	**23.80**	**103.99**	**39.63**	**6.70**	**5,679.55**	**1.28**	**27.22**	**30,171.84**	**44.06**	**981.62**	**1,025.68**
Additions	96.83	85.75	3,104.72	1.16	8.37	80.03	6.86	-	634.41	0.08	17.75	4,035.96	52.14	-	52.14
Disposals	(0.01)	(0.09)	(27.11)	(0.14)	(0.43)	(0.73)	(0.72)	-	-	-	(0.38)	(29.61)	-	-	-
Acquisitions of subsidiaries (Refer Note 63B)	-	4.03	90.72	0.01	0.02	0.09	0.01	-	-	-	-	94.88	0.01	51.34	51.35
Balance As at 31st March, 2022	**2,860.57**	**1,117.90**	**23,642.82**	**24.25**	**31.76**	**183.38**	**45.78**	**6.70**	**6,313.96**	**1.36**	**44.59**	**34,273.07**	**96.21**	**1,032.96**	**1,129.17**
Additions	38.67	76.16	3,187.42	1.06	7.16	43.04	32.30	-	562.33	-	8.11	3,956.25	32.57	-	32.57
Disposals	(0.04)	(0.01)	(22.10)	(0.01)	(0.41)	(3.34)	(2.23)	-	(2.68)	-	(0.41)	(31.23)	-	-	-
Balance As at 31st March, 2023	**2,899.20**	**1,194.05**	**26,808.14**	**25.30**	**38.51**	**223.08**	**75.85**	**6.70**	**6,873.61**	**1.36**	**52.29**	**38,198.09**	**128.78**	**1,032.96**	**1,161.74**
II. Accumulated depreciation and Amortisation															
Balance as at 1st April, 2021	**-**	**103.34**	**4,325.46**	**8.83**	**8.58**	**31.91**	**7.01**	**1.08**	**510.60**	**0.20**	**8.57**	**5,005.58**	**16.37**	**-**	**16.37**
Depreciation and Amortisation Expense	-	39.79	1,049.27	2.44	3.68	17.51	5.20	0.41	258.29	0.08	3.18	1,379.85	17.34	-	17.34
Eliminated on disposal of assets	-	(0.02)	(15.46)	(0.14)	(0.39)	(0.72)	(0.35)	-	-	-	(0.30)	(17.38)	-	-	-
Balance As at 31st March, 2022	**-**	**143.11**	**5,359.27**	**11.13**	**11.87**	**48.70**	**11.86**	**1.49**	**768.89**	**0.28**	**11.45**	**6,368.05**	**33.71**	**-**	**33.71**
Depreciation and Amortisation Expense	-	42.47	1,163.05	1.45	4.84	45.04	3.41	0.41	290.10	0.09	4.38	1,555.24	28.68	-	28.68
Eliminated on disposal of assets	-	(0.01)	(14.21)	(0.01)	(0.23)	(3.33)	(1.31)	-	(1.00)	-	(0.38)	(20.48)	-	-	-
Balance As at 31st March, 2023	**-**	**185.57**	**6,508.11**	**12.57**	**16.48**	**90.41**	**13.96**	**1.90**	**1,057.99**	**0.37**	**15.45**	**7,902.81**	**62.39**	**-**	**62.39**

(₹ in Crores)

Description of Assets	Tangible Assets												Intangible Assets		
	Land (Free hold)	Building	Plant and Equipment	Furniture and Fixtures	Office Equipment	Computer Equipment	Vehicles	Railway Slidings	Distribution System	Jetties	Electrical Installation	Total	Computer Software	Transmission and distribution License	Total
Net Carrying Value :															
As at 31st March, 2022	**2,860.57**	**974.79**	**18,283.55**	**13.12**	**19.89**	**134.68**	**33.92**	**5.21**	**5,545.07**	**1.08**	**33.14**	**27,905.02**	**62.50**	**1,032.96**	**1,095.46**
As at 31st March, 2023	**2,899.20**	**1,008.48**	**20,300.03**	**12.73**	**22.03**	**132.67**	**61.89**	**4.80**	**5,815.62**	**0.99**	**36.84**	**30,295.28**	**66.39**	**1,032.96**	**1,099.35**

Notes:

(i) The above Intangible Assets are other than internally generated Intangible Assets.

(ii) The Transmission & Distribution Licenses was acquired as a part of the business acquisition. The licenses are valid for a period of 25 years & considering similar extensions have happened in the past , it can be further extended at minimal cost. Based on an analysis of all of the relevant factors, the licenses are considered by the Group as having an indefinite useful life.

For charge created on aforesaid assets, refer note 22.

5.2 Capital Work-In-Progress (₹ in Crores)

Particulars	Amount in CWIP for a period of				
	<1 year	1-2 years	2-3 years	> 3 years	Total
Capital-work-in progress ageing schedule:					
As at 31st March, 2023					
- Projects in progress	4,128.91	1,792.89	222.72	54.22	**6,198.74**
- Projects temporarily suspended	0.97	0.67	0.00	0.06	**1.70**
Total	**4,129.88**	**1,793.56**	**222.72**	**54.28**	**6,200.44**
As at 31st March, 2022					
- Projects in progress	4,165.15	777.83	63.11	51.89	**5,057.98**
- Projects temporarily suspended	0.22	0.87	0.95	0.14	**2.18**
Total	**4,165.37**	**778.70**	**64.06**	**52.03**	**5,060.16**

5.3 Right of Use Assets (₹ in Crores)

Description of Assets	Leasehold Land	Building	Right of Way	Computer Equipment	Total
I. Gross Carrying Amount					
Balance as at 1st April, 2021	**100.94**	**139.41**	**40.16**	**1.55**	**282.06**
Additions	510.43	0.05	-	-	510.48
Disposals	(0.42)	(36.57)	-	-	(36.99)
Acquisitions of subsidiaries (Refer Note 63B)	9.88	-	-	-	9.88
Balance As at 31st March, 2022	**620.83**	**102.89**	**40.16**	**1.55**	**765.43**
Additions	2.42	0.06	7.18	-	9.66
Disposals	-	-	-	-	-
Balance As at 31st March, 2023	**623.25**	**102.95**	**47.34**	**1.55**	**775.09**
II. Accumulated Amortization					
Balance as at 1st April, 2021	**12.80**	**47.13**	**3.61**	**0.37**	**63.91**
Amortisation Expense	9.14	20.05	3.02	0.30	32.51
Eliminated on disposal of assets	(0.05)	(3.94)	-	-	(3.99)
Balance As at 31st March, 2022	**21.89**	**63.24**	**6.63**	**0.67**	**92.43**
Amortisation Expense	12.36	14.00	3.78	0.30	30.44
Eliminated on disposal of assets	-	-	-	-	-
Balance As at 31st March, 2023	**34.25**	**77.24**	**10.41**	**0.97**	**122.87**
Net Carrying Value :					
As at 31st March, 2022	**598.94**	**39.65**	**33.53**	**0.88**	**673.00**
As at 31st March, 2023	**589.00**	**25.71**	**36.93**	**0.58**	**652.22**

Note :

(i) During the previous year, Adani Electricity Mumbai Limited (AEML) had entered into memorandum of understanding in name of the Company with M/s. Superheights Infraspace Private Limited (SIPL) (related party) for an amount of ₹ 510.00 Crores towards acquiring leasehold rights of land parcel at BKC, Mumbai for construction of Extra High Voltage (EHV) Substation to meet the incremental load requirement. AEML has obtained possession of the said land after giving capital advance of ₹ 431.00 Crores and commenced substantial pre-construction activities.

The leasehold land amounting to ₹ 510.00 Crores is included in the right of use assets. AEML will enter into formal lease agreement on completion of the construction of the substation as per the applicable regulatory requirements.

5.4 Depreciation and Amortisation Expense (₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Depreciation on Tangible Assets	1,555.24	1,379.85
Amortisation of Intangible Assets	28.68	17.34
Amortisation of Right of Use	30.44	32.51
Less : Transferred to Capital work in progress	(6.62)	(2.55)
Total	**1,607.74**	**1,427.15**

6 Investments

		As at 31st March, 2023 (₹ in Crores)	As at 31st March, 2022 (₹ in Crores)
Investment in Government Securities at amortised cost			
Contingency Reserve Investment (Quoted)			
7.16% Central Government of India 2050		201.22	201.78
9.23% Central Government of India 2043		20.49	17.09
8.17% Central Government of India 2044		34.43	33.93
8.13% Central Government of India 2045		11.44	11.31
8.97% Central Government of India 2030		0.06	0.06
5.63% Central Government of India 2026		45.25	-
	Total	**312.89**	**264.17**
Aggregate book value of Quoted Investments		**312.89**	**264.17**
Aggregate market value of Quoted Investments		**290.60**	**246.65**

7 Non Current Loans- At Amortised Cost

		As at 31st March, 2023 (₹ in Crores)	As at 31st March, 2022 (₹ in Crores)
(Secured, Considered good)			
Housing loans to employee against Hypothecation of the property		17.14	20.17
(Unsecured, Considered good)			
Loan to employees		8.96	8.77
Inter Corporate Deposit given to related party (Refer note 45)		-	1,099.60
	Total	**26.10**	**1,128.54**

Particulars	**Amount of loan or advance in the nature of loan outstanding**		**Percentage to the total Loans and Advances in the nature of loans**	
	31st March, 2023	**31st March, 2022**	**31st March, 2023**	**31st March, 2022**
Promoter	-	-	-	-
Director	-	-	-	-
Key Managerial Personnel	-	-	-	-
Related Party	-	1,099.60	0%	97%

8 Non-current Financial Assets- Others

		As at 31st March, 2023 (₹ in Crores)	As at 31st March, 2022 (₹ in Crores)
Balances held as Margin Money or security against borrowings*		1,100.85	1,131.42
Financial Asset Under Service Concession Arrangement (SCA)		1,028.45	1,065.80
Unbilled Revenue		867.00	1,068.28
Derivative instruments		899.65	303.94
Security deposit - Considered Good		53.98	52.39
Security deposit - Considered doubtful		6.63	1.05
Interest receivable		3.35	0.90
Other Receivable		21.42	8.91
	Total	**3,981.33**	**3,632.69**
Less : Provision For Doubtful Deposits		(6.63)	(1.05)
	Total	**3,974.70**	**3,631.64**

* Represents deposits Amount towards Debt Service Reserve Account (DSRA) and Capex Reserve Account (CRA)

9 Income Tax Assets (Net)

		As at 31st March, 2023 (₹ in Crores)	As at 31st March, 2022 (₹ in Crores)
Income Tax Assets (Net)		60.78	88.87
	Total	**60.78**	**88.87**

10 Other Non-current Assets

		As at 31st March, 2023 (₹ in Crores)	As at 31st March, 2022 (₹ in Crores)
Advance to Employees		3.96	2.03
Capital advances (Considered Good)		770.26	531.54
Prepaid Expenses		84.36	65.60
Deferred Assets (recoverable) / adjustable (Refer Note 28)		946.26	942.05
	Total	**1,804.84**	**1,541.22**

11 Inventories
(At lower of Cost and Net Realisable Value)

		As at 31st March, 2023 (₹ in Crores)	As at 31st March, 2022 (₹ in Crores)
Fuel		39.78	127.40
Fuel -in Transit		17.00	35.83
Stores & spares		95.13	86.88
	Total	**151.91**	**250.11**

12 Current Financial Assets - Investment

	As at 31st March, 2023 (₹ in Crores)	As at 31st March, 2022 (₹ in Crores)
Investment in Mutual Funds units at FVTPL (Unquoted)		
Kotak Overnight Fund Direct Growth	11.45	52.04
Nippon India Liquid Fund Direct Growth Plan	3.17	3.61
Nippon India Overnight Fund -Direct Growth	2.98	10.39
ICICI Prudential Overnight Fund Direct Plan	13.22	33.96
Kotak Liquid Fund - Direct Growth Plan	7.34	8.44
HDFC Overnight Fund- Direct plan-Growth Option	-	2.83
Aditya Birla Overnight Fund Growth -Direct Plan	193.01	69.79
Aditya Birla Liquid Fund Growth -Direct Plan	364.66	-
Birla Sun Life Cash Plus - Growth-Direct Plan	123.88	11.28
SBI Overnight Fund Direct Growth Plan	298.52	35.47
Edelweiss Overnight Fund Direct Plan Growth	-	1.31
UTI Overnight Fund-Direct Growth Plan	2.20	3.31
Axis Overnight Fund Direct Growth	-	28.10
Total (a)	**1,020.43**	**260.53**
Aggregate Carrying value of unquoted investments	**1,020.43**	**260.53**
Aggregate market value of unquoted investments	**1,020.43**	**260.53**
Investment for Contingency Reserve (B)		
Contingency Reserve Investment (Quoted) at amortised Cost		
4.56 % Central Government of India 2023	0.39	-
7.68% Central Government of India 2023	10.09	-
8.13% Central Government of India 2023	0.10	-
8.13% Central Government of India 2022	-	1.14
Treasury Bills at FVTPL	25.78	34.68
Total (b)	**36.36**	**35.82**
Aggregate book value of Quoted Investments	**36.36**	**35.82**
Aggregate market value of Quoted Investments	**36.29**	**36.12**
Total (a) + (b)	**1,056.79**	**296.35**

13 Trade Receivables

(Unsecured otherwise stated)	As at 31st March, 2023 (₹ in Crores)	As at 31st March, 2022 (₹ in Crores)
Unsecured, Considered good	1,437.59	1,070.84
Credit Impaired	24.45	11.89
	1,462.04	**1,082.73**
Less : Provision for doubtful Trade receivables	(24.45)	(11.89)
Total	**1,437.59**	**1,070.84**

13.1 Trade Receivable Ageing Schedule

As at 31st March, 2023 (₹ in Crores)

Particulars	Not Due	Outstanding for following periods from due date of receipt: Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	570.85	796.21	13.04	13.93	0.28	0.02	**1,394.33**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	17.23	14.72	2.87	5.15	-	-	**39.97**
(iii) Undisputed Trade Receivables – credit impaired	13.00	-	-	1.39	-	0.45	**14.84**
(iv) Disputed Trade Receivables considered good	0.92	1.54	0.32	0.48	-	-	**3.26**
(v) Disputed Trade Receivables - which have significant increase in credit risk	0.03	-	-	-	-	-	**0.03**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	9.61	**9.61**
Total	**602.03**	**812.47**	**16.23**	**20.95**	**0.28**	**10.08**	**1,462.04**

As at 31st March, 2022 (₹ in Crores)

Particulars	Not Due	Outstanding for following periods from due date of receipt: Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables –considered good	464.70	480.19	46.99	40.81	-	0.02	**1,032.71**
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	6.25	18.08	3.87	7.12	-	-	**35.32**
(iii) Undisputed Trade Receivables –credit impaired	-	-	0.00	1.39	0.00	-	**1.39**
(iv) Disputed Trade Receivables considered good	0.60	1.66	0.36	0.15	-	-	**2.77**
(v) Disputed Trade Receivables - which have significant increase in credit risk	0.01	0.03	-	-	-	-	**0.04**
(vi) Disputed Trade Receivables –credit impaired	-	-	-	-	-	10.50	**10.50**
Total	**471.56**	**499.96**	**51.22**	**49.47**	**0.00**	**10.52**	**1,082.73**

Movement in the allowance for doubtful trade receivables		**As at 31st March, 2023 (₹ in Crores)**	**As at 31st March, 2022 (₹ in Crores)**
Balance at the beginning of the year		11.89	11.44
Add/(Less) : Provision made / (Written off) during the year (net of recoveries)		12.56	0.45
Balance at the end of the year	**Total**	**24.45**	**11.89**

Notes :

(i) The Group holds security deposit amounting to ₹ 514.79 Crores (PY : ₹ 478.96 Crores) in respect of trade receivable of Distribution business.

(ii) The average credit period for the Group's receivables from its distribution business is in the range of 15 to 30 days. No interest or delayed payment is charged on trade receivables till the due date. Thereafter, one time delayed payment charges at the rate of 1.25% & interest after 30 / 60 days from bill date is charged in the range of 12% to 15% per annum.

(iii) The average credit period for the Group's receivables from its Transmission business is in the range of 30 to 60 days. No interest or delayed payment is charged on trade receivables till the due date. Thereafter, delayed interest charges, after 30 / 60 days from bill date is charged in the range of 12% to 15% per annum. For Transmission business, regulator approved tariff is receivable from long-term transmission customers (LTTCs) that are highly rated companies or government parties. Counterparty credit risk with respect to these receivables is very minimal.

(iv) The Group considers for impairment its receivables from customers in its of Distribution business. The risk of recovery in these businesses is reduced to the extent of security deposits already collected and held as collateral. Balance amount receivable over and above the deposit is assessed for expected credit loss allowances. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experienced and adjusted for forward- looking information. The expected credit loss allowance is based on ageing of the days the receivables are due.

(v) Above trade receivables are pledged as security with the Lenders against borrowings. (Refer note 22)

(vi) The concentration of credit risk is very limited due to the fact that the large customers are mainly government bodies / departments and remaining customer base is large and widely dispersed and secured with security deposit.

14	**Cash and Cash Equivalents**		**As at 31st March, 2023 (₹ in Crores)**	**As at 31st March, 2022 (₹ in Crores)**
	Balances with banks			
	In current accounts		152.55	165.85
	Fixed Deposits (with original maturity for three months or less)		23.53	13.28
	Cheque / Draft on Hand		14.13	9.12
	Cash on Hand		0.43	0.80
		Total	**190.64**	**189.05**

For charge created on aforesaid assets, refer note 22.

15	**Bank Balance other than Cash and Cash Equivalents**		**As at 31st March, 2023 (₹ in Crores)**	**As at 31st March, 2022 (₹ in Crores)**
	Balances held as Margin Money or security against borrowings		833.70	383.44
	Fixed Deposits (with original maturity of more than 3 months)		679.80	820.38
		Total	**1,513.50**	**1,203.82**

For charge created on aforesaid assets, refer note 22.

16	**Current Financial Assets - Loans** (At Amortised Cost)		**As at 31st March, 2023 (₹ in Crores)**	**As at 31st March, 2022 (₹ in Crores)**
	(Unsecured, Considered good)			
	Loans to employees		5.03	4.32
	Loans to Others (interest bearing loan towards acquisition) (Refer Note 60)		69.17	-
	(Secured, Considered good)			
	Housing loans to employee against Hypothecation of the property		3.00	3.49
	Loans to Others (interest bearing loan towards acquisition) (Refer Note 60)		400.00	-
		Total	**477.20**	**7.81**

17	**Current Financial Assets- Others**		**As at 31st March, 2023 (₹ in Crores)**	**As at 31st March, 2022 (₹ in Crores)**
	Interest receivable		45.26	20.29
	Unbilled Revenue		1,719.26	819.61
	Financial Asset Under Service Concession Arrangement (SCA)		62.38	87.91
	Security deposit		13.33	11.24
	Derivative instruments		27.21	1.50
	Other Receivables		38.95	125.28
		Total	**1,906.39**	**1,065.83**

18	**Other Current Assets**		**As at 31st March, 2023 (₹ in Crores)**	**As at 31st March, 2022 (₹ in Crores)**
	Advance to Suppliers (Unsecured, Considered Good)		127.36	196.29
	Advance for Acquisition (Unsecured, Considered Good)		6.35	-
	Balances with Government authorities		24.75	8.72
	Prepaid Expenses		46.34	60.41
	Advance to Employees		4.21	4.49
		Total	**209.01**	**269.91**

19 Equity Share Capital

		As at 31st March, 2023 (₹ in Crores)	As at 31st March, 2022 (₹ in Crores)
Authorised Share Capital			
1,50,00,00,000 (As at 31st March 2022-1,50,00,00,000) equity shares of ₹ 10 each.		1,500.00	1,500.00
	Total	**1,500.00**	**1,500.00**
Issued, Subscribed and Fully paid-up equity shares			
111,54,92,683 (As at 31st March 2022- 109,98,10,083) fully paid up equity shares of ₹ 10 each.		1,115.49	1,099.81
	Total	**1,115.49**	**1,099.81**

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

Equity Shares	As at 31st March, 2023 No. Shares	As at 31st March, 2023 (₹ in Crores)	As at 31st March, 2022 No. Shares	As at 31st March, 2022 (₹ in Crores)
At the beginning of the year	1,09,98,10,083	1,099.81	1,09,98,10,083	1,099.81
Issued during the year	1,56,82,600	15.68	-	-
Outstanding at the end of the year	**1,11,54,92,683**	**1,115.49**	**1,09,98,10,083**	**1,099.81**

The Board of Directors of the Company, in their meeting held on 8th April 2022 have approved the transaction for issue of 15,682,600 equity share of face value of ₹ 10 each of the Company, for total consideration of ₹ 3,850 Crores to Green Transmission investment Holding RSC Limited ("investor"), on a preferential basis. The current principal shareholder of the Investor is IHC Capital Holding LLC , Abu Dhabi, UAE. The transaction is approved by the shareholder in their meeting held on 3rd May, 2022.

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

Particulars	As at 31st March, 2023 No. Shares	As at 31st March, 2023 % holding in the class	As at 31st March, 2022 No. Shares	As at 31st March, 2022 % holding in the class
Equity shares of ₹ 10 each fully paid				
Shri Gautam S. Adani / Shri Rajesh S. Adani (On the behalf of S.B. Adani Family Trust)	60,16,34,660	53.94%	62,11,97,910	56.48%
Adani Tradeline Private Limited (Formerly Known as Adani Tradeline LLP)	9,94,91,719	8.92%	9,94,91,719	9.05%
Total	**70,11,26,379**	**62.86%**	**72,06,89,629**	**65.53%**

d. Details of Shareholding of Promoters

Particulars	No. of shares	% of total shares	% Change during the year
As at 31st March, 2023			
Shri Gautambhai Shantilal Adani	1	0.00%	0.00%
Shri Rajeshbhai Shantilal Adani	1	0.00%	0.00%
Shri Gautam S. Adani / Shri Rajesh S. Adani (on behalf of S. B. Adani Family Trust)	60,16,34,660	53.94%	-3.15%
Shri Gautam S. Adani / Smt. Priti G. Adani (on behalf of Gautam S. Adani Family Trust)	-	0.00%	-100.00%
Adani Tradeline Private Limited (Formerly Known as Adani Tradeline LLP)	9,94,91,719	8.92%	0.00%
Afro Asia Trade and Investments Limited	3,02,49,700	2.71%	0.00%
Fortitude Trade and Investment Limited	3,39,17,200	3.04%	12.12%
Worldwide Emerging Market Holding Limited	3,02,49,700	2.71%	0.00%
Flourishing Trade And Investment Limited	36,88,000	0.33%	0.00%
Gelt Bery Trade and Investment Limited	100	0.00%	100.00%
	79,92,31,081	**71.65%**	**8.97%**
As at 31st March, 2022			
Shri Gautambhai Shantilal Adani	1	0.00%	0.00%
Shri Rajeshbhai Shantilal Adani	1	0.00%	0.00%
Shri Gautam S. Adani / Shri Rajesh S. Adani (on behalf of S. B. Adani Family Trust)	62,11,97,910	56.48%	0.00%
Shri Gautam S. Adani / Smt. Priti G. Adani (on behalf of Gautam S. Adani Family Trust)	88,36,750	0.80%	0.00%
Adani Tradeline LLP	9,94,91,719	9.05%	0.00%
Afro Asia Trade and Investments Limited	3,02,49,700	2.75%	0.00%
Fortitude Trade and Investment Limited	3,02,49,700	2.75%	0.00%
Worldwide Emerging Market Holding Limited	3,02,49,700	2.75%	0.00%
Flourishing Trade And Investment Limited	36,88,000	0.34%	0.00%
	82,39,63,481	**74.92%**	**0.00%**

20 Unsecured Perpetual Equity Instrument

	As at 31st March, 2023 (₹ in Crores)	As at 31st March, 2022 (₹ in Crores)
Opening Balance	3,055.65	2,829.70
Add: Availed during the year	-	-
(Less): Repaid during the year	(3,075.46)	-
Add: Distribution on Unsecured Perpetual Equity Instrument (Net of Tax)	19.81	225.95
Closing Balance	**-**	**3,055.65**

Adani Transmission Limited (Parent Company) had issued Unsecured Perpetual Equity Instrument (the "Instrument") to Adani Infra (India) Limited. These Instrument are perpetual in nature with no maturity or redemption and are callable only at the option of the Parent company. During the year parent company has repaid the ₹ 3,075.46 Crores to Adani Infra (India) Limited including distribution on perpetual equity instrument.

21	Other Equity		As at 31st March, 2023 (₹ in Crores)	As at 31st March, 2022 (₹ in Crores)
a.	**Capital Reserve (Refer note (i) below)**			
	Opening Balance		208.87	208.87
	Add : Addition during the year		-	-
	Closing Balance	**Total (a)**	**208.87**	**208.87**
b.	**Effective portion of cashflow Hedge (Refer note (ii) below)**			
	Opening Balance		(409.86)	(182.75)
	Effective portion of cash flow hedge for the year		(276.41)	(227.11)
	Closing Balance	**Total (b)**	**(686.27)**	**(409.86)**
c.	**General Reserve (Refer note (iii) below)**			
	Opening Balance		1,201.95	1,207.95
	Less: Appropriation to Self Insurance Reserve		(25.01)	(6.00)
	Closing Balance	**Total (c)**	**1,176.94**	**1,201.95**
d.	**Capital Redemption Reserve (Refer note (iv) below)**			
	Opening Balance		2,436.53	2,436.53
	Add: Transfer from Retained Earning on redemption of Optionally Convertible Redeemable Preference Shares		-	-
	Closing Balance	**Total (d)**	**2,436.53**	**2,436.53**
e.	**Debenture Redemption Reserve (Refer note (v) below)**			
	Opening Balance		11.15	12.28
	Transfer from/(to) Retained Earning		13.89	(1.13)
	Closing Balance	**Total (e)**	**25.04**	**11.15**
f.	**Contingency Reserve (Refer note (vi) below)**			
	Opening Balance		334.89	284.91
	Addition during the year		23.59	49.98
	Closing Balance	**Total (f)**	**358.48**	**334.89**
g.	**Self Insurance Reserve (Refer note (vii) below)**			
	Opening Balance		18.65	12.65
	Addition during the year		25.01	6.00
	Closing Balance	**Total (g)**	**43.66**	**18.65**
h.	**Surplus in the Statement of Profit and Loss (Refer note (viii) below)**			
	Opening Balance		1,955.18	1,009.33
	Add : Profit for the year		1,256.33	1,204.61
	Add / (Less) : Other comprehensive income arising from remeasurement of Defined Benefit Plans		(6.67)	9.92
	(Less) : Distribution on Unsecured Perpetual Equity Instrument		(19.83)	(226.30)
	(Less) : Transfer to Contingency reserve		(21.74)	(43.51)
	Add / (Less) : Transfer to Debenture Redemption Reserve		(13.89)	1.13
	Closing Balance	**Total (h)**	**3,149.38**	**1,955.18**
i.	**Securities Premium Account (Refer note (ix) below)**			
	Opening Balance		-	-
	Add: Addition on account of issue of shares during the year		3,834.32	-
	Closing Balance	**Total (i)**	**3,834.32**	**-**
		Total (a+b+c+d+e+f+g+h+i)	**10,546.95**	**5,757.36**

Notes :

i) It has been created on acquisition of subsidiary companies.

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

iii) It has been created pursuant to the demerger of transmission undertaking of Adani Enterprises Limited into the company. The general reserve is used from time to time to transfer profit from retained earnings for apportion purposes.

iv) Under the provisions of Section 55 of the Companies Act, 2013 where the redemption of preference shares is out of profits, an amount equal to nominal value of shares redeemed is to be transferred to a reserve called 'capital redemption reserve'

v) The Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), requires the company to create DRR out of profits available for payment of dividend. The DRR is created over the life of debentures out of retained earnings.

vi) As per the provisions of MERC MYT Regulations read with Tariff orders passed by MERC, the Group being a Distribution and Transmission Licensee, makes an appropriation to the Contingency Reserve fund to meet with certain exigencies.

vii) The company has decided that insurance of the transmission lines of subsidiary companies would be through the self-insurance to mitigate the loss of assets hence a reserve has been created. The insurance of sub stations of subsidiary companies are covered through insurance companies under all risk policy.

viii) Retained earnings (in the event of availability of profits) represents the amount that can be distributed by the Company as dividends considering the requirements of the Companies' Act, 2013.

The Board of Directors of Adani Electricity Mumbai Limited (subsidiary of the company) in their meeting held on 26th May, 2023, have declared interim dividend of ₹ 0.85 per equity share of ₹ 10 each for the financial year 2022-23 amounting to ₹ 341.77 Crores.

ix) The Group has received an aggregate consideration of ₹ 3,850.00 Crores from Green Transmission Investment Holding RSC Limited towards subscription of 1,56,82,600 equity shares of the company of the face value of ₹ 10 each at price of ₹ 2,454.95 per equity share which includes a premium of ₹ 2,444.95 per equity share aggregating to ₹ 3,834.32 Crores.

22 Non current Financial Liabilities - Borrowings

	Non-current As at 31st March, 2023 (₹ in Crores)	Non-current As at 31st March, 2022 (₹ in Crores)	Current As at 31st March, 2023 (₹ in Crores)	Current As at 31st March, 2022 (₹ in Crores)
Secured				
Bonds				
5.20% US private Placement	2,873.16	2,736.12	95.43	87.90
4.25% USD Bonds	3,199.24	3,178.65	244.02	229.49
3.949% USD Bonds	8,158.69	7,512.41	-	-
4.00% USD Bonds	4,067.04	3,748.66	-	-
3.867% Sustainability Linked Notes	2,440.41	2,246.10	-	-
Term Loans				
From Banks				
Rupee loan	2,495.12	2,326.15	130.36	113.24
Foreign currency loan	1,845.07	825.41	59.99	89.25
From Financial Institutions	1,962.15	2,382.31	107.84	54.36
Trade Credits & Buyers Credit				
From Banks	717.11	394.70	-	-
Non Convertible Debentures	89.43	99.99	10.56	10.88
Unsecured				
Non Convertible Debentures	963.74	-	33.62	-
Loans and advances from related parties	229.71	217.40	-	-
Shareholders Affiliated Debts	2,289.52	2,106.14	-	-
Total	**31,330.39**	**27,774.04**	**681.82**	**585.12**
Amount disclosed under the head 'Current Financial Liabilities - Borrowings' (Refer Note 29)	-	-	(681.82)	(585.12)
Net amount	**31,330.39**	**27,774.04**	**-**	**-**

Notes

Borrowings	Security	Terms of Repayment
4.25% USD Bonds	4.00% USD Bonds, 4.25% USD Bonds and Non-Convertible Debentures are secured by way of first ranking pari passu charge in favour of the Security trustee (for the benefit of the Bond/Debenture holders): (a) Mortgage of land situated at Sanand. (b) Hypothecation of all the assets (movable and immovable) including current assets of the Company. (c) Pledge over 100% equity shares of Adani Transmission (India) Limited (ATIL) and Maharashtra Eastern Grid Power Transmission Company Limited (MEGPTCL), both are wholly owned subsidiaries of the company. (d) accounts receivables of ATIL and MEGPTCL and also the operating cash flows, book debts, loans and advances, commissions, dividends, interest income, revenues present and future of ATIL and MEGPTCL. (e) Assignment by way of security over loans given to ATIL & MEGPTCL. All its rights under the inter entity loan agreements entered or to be entered into between the Issuer, ATIL and MEGPTCL (the "Inter Entity Loans")	422.50 Million USD Bonds aggregating to ₹ 3,471.68 Crores (31st March, 2022- 452.50 Million USD Bonds aggregating to ₹ 3,429.61 Crores) are redeemable by Half yearly payment starting from May 2020 to May 2036.
4.00% USD Bonds		500 Million USD Bonds aggregating to ₹ 4,108.50 Crores (31st March, 2022- 500 Million USD Bonds aggregating to ₹ 3,789.63 Crores) are redeemable by bullet payment in FY 2026.
3.949% USD Bonds	a) a first pari passu mortgage over certain Identified Immovable Properties; b) a first pari passu charge on the movable assets of the AEML (both present and future); c) a first pari passu charge on all book debts, operating cash flows, receivables (excluding Past Period Regulatory Assets, monies in the Debenture Liquidity Account and the post distribution cash flows), commissions or revenues whatsoever arising out of the Project (both present and future); d) a first pari passu charge on the Accounts under the Project Accounts Deed (except the Excluded Accounts (which means the AEML PPRA Account, the Debenture Liquidity Account, each of the AEML Post Distribution Cash Flow Accounts; any accounts opened for the purpose of managing any Excluded Cash Flows; and the AEML Distributions Account)) and amounts lying to the credit of such Accounts (both present and future); e) a first pari passu assignment in relation to Transmission License and Distribution License, subject to approval from the MERC; f) a pledge over 100% of the entire paid up equity and preference share capital of the AEML; g) a non-disposal undertaking over immovable properties other than certain identified immoveable properties; h) a non-disposal undertaking over the immoveable and moveable assets (including all book debts, operating cash flows, receivables, commissions or revenues whatsoever) of AEML (both present and future); and i) a non-disposal undertaking over 100% of the equity and preference share capital of AEML. In addition to the aforesaid, the Collateral shall also include such security interest as may be required to be created by other group entities of the Issuer in the future, and such collateral may be shared in the same manner as aforementioned with other lenders of AEML, and such future obligors. **Ranking of Security** The Collateral will be a first charge ranking pari passu among the debt security holders, without any preference or priority and shall rank pari passu with all the senior secured debt of the Company in accordance with the Senior Secured Note Documents and the intercreditor agreement.	3.949% Bond amounting to ₹ 8,217.01 Crores (31st March, 2022 ₹ 7,364.53 Crores) is repayable by way of bullet payment in February 2030 with an obligation to prepay the debt on occurrence of certain events. The Group can voluntarily prepay the Bond on payment of premium.
Sustainability Linked Notes - 3.87%		By way of bullet payment in July 2031 with an obligation to prepay the debt on occurrence of certain events. The Company can voluntarily prepay the Bond on payment of premium.

6.365% Shareholders Affiliated Debts	(i) First-ranking fixed charge over all its present and future right, title, benefit and interest in the Excluded Loan Accounts (ii) First-ranking floating charge over all of its present and future right, title, benefit and interest in the equity distribution account	Shareholders Affiliated Debts are repayable commencing from February 2027 through February 2040 with an obligation to prepay the debt on occurrence of certain events. The Company can voluntarily prepay the debt on payment of premium.
Rupee Term Loans, Foreign Currency Loans, Rupee Term Loan from Financial Institution and Letter of credits/Buyers Credit	Availed by the Group from various banks and financial institutions are secured by a pari passu charge on all present and future movable and immovable assets, receivables, project documentation, cash flows, licences, insurance contracts and approval. Respective companies shares are pledged.	**(A) Letter of credits** (Foreign and Inland) from bank of ₹ 717.11 Crores (31st March, 2022 - ₹ 395.64 Crores) carry interest rates ranging from 4.45 % to 7.60% p.a. The same will be converted in to RTL on the day of maturity or will be repaid. **(B) Rupee term loans** from Banks of ₹ 2,651.60 Crores (31st March, 2022 ₹ 2,494.89 Crores) and Rupee Term Loan from Financial Institution of ₹ 2,082.38 Crores (31st March, 2022 ₹ 2,449.67 Crores) carry interest rates ranging from 7.25% to 10.90%. The loan is repayable at different maturities ending on FY 2050-51. **(C) Foreign Currency loan (ECB Loan) from bank** **(i)** aggregating ₹ 87.64 Crores (as at 31st March 2022 :- ₹ 89.30 Crores carries an Interest @ 3 Months Euribor plus 1.52% per annum. The loan is repayable in quarterly installments commencing from 18th December 2017 which initial tenure was ending in August 2022 but extended with effect of supplemental agreement as on 08th August 2022 to August 2027 for additional five years. **(ii)** aggregating to ₹ 1,846.36 Crores (As on 31st March 2022 - ₹ 968.50 Crores), having an interest rate of 6 Month Libor (2.50 - 3% p.a. Initial Margin + Spread) .The repayment schedule will start from FY 2023-24 with Semi Annually installment with First Installament due on May-23 and will end on FY 2025-26
5.20% US private Placement	5.20% US private Placement Notes are issued by six (6) transmission companies of USPP Group.The Notes are secured/to be secured by first ranking charge on receivables, on all immovable and movable assets, charge or assignment of rights under Transmission Service Agreement and other project documents, charge or assignment of rights and/or designation of the Security Trustee as loss payee under each insurance contract in respect of Project. The Notes are also secured by way of pledge over 100% of shares of the Seven (7) companies of USPP Group held by Holding Company, i.e. Adani Transmission Limited.	5.20%, 364.60 Million USD Denominated Notes aggregating ₹ 2,995.93 Crores, (31st March, 2022- 376.40 Million USD Denominated Notes aggregating ₹ 2,852.83 Crores) which has a semi-annual repayment schedule with first repayment in the month of Sep-2020 and semi-annually then after over the period of its tenor ending March-2050.
Non Convertible Debentures	Non Convertible Debentures are secured by having first charge over receivables, immovable and movable assets created out of project on pari passu basis with other secured lenders.	NCD aggregating to ₹ 100.65 Crores (as at 31st March, 2022 - ₹ 111.18 Crores) having an interest rate of 7.51% to 8.91% p.a. which is governed by NCD agreement and redeemable in quarterly basis starting from FY 2018-19 to FY 2033-34.
Non Convertible Debentures	Non Convertible Debentures upfront issued as "Unsecured" and will be converted into "Secured", upon creation of Security, after approval of the CERC/applicable authority for creation of the Proposed Security as per the Placement Memorandum.	NCD aggregating to ₹ 908.00 Crores (as at 31st March, 2022 - Nil) having an interest rate of 7.95% to 8.27% p.a. which is governed by NCD agreement and redeemable in quarterly basis starting from FY 2022-23 to FY 2040-41.
Non Convertible Debentures	Unsecured	NCD aggregating to ₹ 100.00 Crores (as at 31st March, 2022 - Nil) having an interest rate of 8.50% p.a. which is governed by NCD agreement and redeemable by way of bullet repayment in December - 2024.
Unsecured Loan from Related Party	Unsecured Long term Loan	Inter-corporate loan ₹ 229.71 Crores (as at 31st March 2022 :- ₹ 217.40 Crores)from Related party is unsecured and carries interest at the rate of 8.5% to 11.05 % p.a. and repayable in range of FY 2025-26 to 2027-28.

23 Lease Liabilities

	Non-Current		Current	
	As at 31st March, 2023 (₹ in Crores)	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)	As at 31st March, 2022 (₹ in Crores)
Lease Liabilities	51.69	66.12	19.50	21.09
Total	**51.69**	**66.12**	**19.50**	**21.09**

24 Non Current Trade Payable

	As at 31st March, 2023 (₹ in Crores)	As at 31st March, 2022 (₹ in Crores)
(A) total outstanding dues of micro enterprises and small enterprises; and	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	32.76	32.22
Total	**32.76**	**32.22**

25 Non Current Financial Liabilities - Others

	As at 31st March, 2023 (₹ in Crores)	As at 31st March, 2022 (₹ in Crores)
Payable on purchase of Property, Plant and Equipment	219.96	268.61
Derivative instruments	4.40	66.02
Other Payable towards Bilateral Charges & Liquidated Damages	114.14	-
Deposits from customer and Other	0.34	0.18
Total	**338.84**	**334.81**

26 Other Non Current Liabilities

	As at 31st March, 2023 (₹ in Crores)	As at 31st March, 2022 (₹ in Crores)
Deferred Revenue- Service Line Contributions from Consumers	332.96	290.25
Total	**332.96**	**290.25**

27 Provisions

	Non-Current		Current	
	As at 31st March, 2023 (₹ in Crores)	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)	As at 31st March, 2022 (₹ in Crores)
Provision for Gratuity (Refer note 53)	165.37	177.92	29.64	34.66
Provision for Compensated Absences	345.22	404.82	72.18	32.86
Provision for Other Employment Benefits	17.14	19.08	1.82	3.39
Provision for Stamp Duty	-	15.65	15.65	-
Total	**527.73**	**617.47**	**119.29**	**70.91**

28 Deferred Tax Liabilities (net)

		As at 31st March, 2023 (₹ in Crores)	As at 31st March, 2022 (₹ in Crores)
Deferred Tax Liabilities			
Mark to Market Gain on Mutual Funds		(0.64)	(0.31)
Difference between book base and tax base of property, plant and equipment and SCA		(3,529.68)	(3,076.32)
Deferred Tax Liabilities	**(a)**	**(3,530.32)**	**(3,076.63)**
Deferred Tax Assets			
Provision for Employee Benefits		209.60	220.69
Lease Liabilities		0.22	0.13
Unabsorbed Depreciation		1,639.31	1,387.65
Unabsorbed Business Losses & MAT Credit Entitlement		62.39	27.97
Allowance for Doubtful Debts, Deposits, Advances and property tax payable		11.93	7.70
Hedge Reserve		66.77	18.03
Deferred Tax Assets	**(b)**	**1,990.22**	**1,662.17**
Deferred Tax Assets/(Liabilities)	**Total**	**(1,540.10)**	**(1,414.46)**

Tariff regulations provide for the recovery of Income Tax from the beneficiaries / consumers by way of grossing up the return on equity based on effective tax rate for the financial year. Accordingly, deferred tax liability provided during the year which is fully recoverable from beneficiaries / consumers is disclosed as "deferred assets recoverable / adjustable". The same will be recovered when the related deferred tax liability get converted into current tax.

a. Movement in deferred tax assets/ (liabilities) (net) for the Financial Year 2022-23

(₹ in Crores)

Particulars	Opening Balance as at 1st April, 2022	Recognised in profit and loss	Acquisitions of subsidiaries	Recognised in OCI	Closing Balance as at 31st March, 2023
Tax effect of items constituting deferred tax					
Mark to Market gain on Mutual Funds	(0.31)	(0.33)	-	-	(0.64)
Difference between book base and tax base of property, plant and equipment and SCA	(3,076.32)	(453.36)	-	-	(3,529.68)
Total	**(3,076.63)**	**(453.69)**	**-**	**-**	**(3,530.32)**
Tax effect of items constituting deferred tax assets:					
Provision for Employee Benefits	220.69	(11.11)	-	0.02	209.60
Lease Liabilities	0.13	0.09	-	-	0.22
Unabsorbed Depreciation	1,387.65	251.66	-	-	1,639.31
Unabsorbed Business Losses & MAT Credit Entitlement	27.97	34.42	-	-	62.39
Allowance for Doubtful Debts, Deposits and Advances	7.70	4.23	-	-	11.93
Hedge Reserve	18.03	0.01	-	48.73	66.77
Total	**1,662.17**	**279.30**	**-**	**48.75**	**1,990.22**
Net Deferred Tax Asset / (Liabilities)	**(1,414.46)**	**(174.39)**	**-**	**48.75**	**(1,540.10)**

b. Movement in deferred tax assets/ (liabilities) (net) for the Financial Year 2021-22

(₹ in Crores)

Particulars	Opening Balance as at 1st April, 2021	Recognised in profit and loss	Acquisitions of subsidiaries	Recognised in OCI	Closing Balance as at 31st March, 2022
Tax effect of items constituting deferred tax Liabilities:					
Mark to Market gain on Mutual Funds	(0.10)	(0.21)	-	-	(0.31)
Difference between book base and tax base of property, plant and equipments and SCA	(2,528.14)	(514.34)	(33.84)	-	(3,076.32)
Total	**(2,528.24)**	**(514.55)**	**(33.84)**	**-**	**(3,076.63)**
Tax effect of items constituting deferred tax assets:					
Provision for Employee Benefits	205.82	14.87	-	-	220.69
Lease Liabilities	-	0.13	-	-	0.13
Unabsorbed Depreciation	1,093.80	293.85			1,387.65
Unabsorbed Business Losses & MAT Credit Entitlement	16.13	11.84			27.97
Allowance for Doubtful Debts, Deposits and Advances	5.67	2.03	-	-	7.70
Hedge Reserve	20.47	-	-	(2.44)	18.03
Total	**1,341.89**	**322.72**	**-**	**(2.44)**	**1,662.17**
Net Deferred Tax Liabilities	**(1,186.35)**	**(191.83)**	**(33.84)**	**(2.44)**	**(1,414.46)**

29 Current Financial Liabilities - Borrowings

		As at 31st March, 2023 (₹ in Crores)	As at 31st March, 2022 (₹ in Crores)
Secured			
From Banks			
Working Capital Loan / Cash Credit / Bank Overdraft		1,541.03	788.01
Rupee Loan		220.00	209.00
Buyers credit		-	0.94
	Total (a)	**1,761.03**	**997.95**
Unsecured			
From Banks			
Rupee loan		425.60	457.47
	Total (b)	**425.60**	**457.47**
Current maturities of long-term borrowings (Secured) (Refer note 22)	**Total (c)**	**681.82**	**585.12**
	Total (a+b+c)	**2,868.45**	**2,040.54**

Notes :

Borrowings	Security	Terms of Repayment
Working Capital Loan / Cash Credit / Bank Overdraft	i) First charge on receivables and on immovable and movable assets created out of project on paripassu basis. ii) First pari passu charge on current assets (charge on receivable, cash, bank accounts) as well as non-current assets (i.e. investment, loans in group companies or other entities) of the company.	Loan aggregating ₹ 1,541.03 Crores (31st March, 2022- ₹ 788.01 Crores) from banks at the rate of interest ranges from 4.50% to 8.95% p.a.
Secured Loan from banks	First pari passu charge by way of hypothecation over all current assets of Adani Transmission Step-One Limited (ATSOL) and its subsidiaries viz, Adani Transmission (India) Limited (ATIL) & Maharashtra Eastern Grid Power Trasmission Company Limited (MEGTPCL) and negative lien on fixed assets of ATIL and MEGPTCL.	The Secured Term Loan from bank amounting to ₹ 220 Crores. (31st March, 2022 - ₹ 209 Crores) having rate of interest of 8.35% to 9.20% p.a.
Buyers credit	Secured Letter of Credit	Letter of Credits from Banks aggregating to ₹ NIL (as on 31st March 2022 ₹ 0.94 Crores).
Unsecured Loan from bank	Unsecured Loan	Loan aggregating ₹ 425.60 Crores (31st March, 2022- ₹ 457.47 Crores) from banks at the rate of interest ranges from 8.47% to 9.70 % p.a. The loan is ending on 2023-24.

30 Trade Payables

		As at 31st March, 2023 (₹ in Crores)	As at 31st March, 2022 (₹ in Crores)
Trade Payables			
Micro and Small Enterprises		46.43	26.37
Other than Micro and Small Enterprises		1,754.00	1,581.54
	Total	**1,800.43**	**1,607.91**

30.1 Trade Payables ageing schedule

As at 31st March, 2023 (₹ in Crores)

Particulars	Not Due	Outstanding for following periods from due date of payment: Less than 1 year	1 - 2 years	2 -3 years	More than 3 years	Total
(a) MSME	27.33	13.09	1.67	1.27	3.07	**46.43**
(b) Others	975.93	364.69	192.61	99.71	61.75	**1,694.69**
(c) Disputed dues – MSME	-	-	-	-	-	**-**
(d) Disputed dues - Others	-	-	92.07	-	-	**92.07**
Total	**1,003.26**	**377.78**	**286.35**	**100.98**	**64.82**	**1,833.19**

As at 31st March, 2022 (₹ in Crores)

Particulars	Not Due	Outstanding for following periods from due date of payment: Less than 1 year	1 - 2 years	2 -3 years	More than 3 years	Total
(a) MSME	11.06	9.50	2.10	2.46	1.25	**26.37**
(b) Others	212.30	1,119.78	130.48	49.58	9.55	**1,521.69**
(c) Disputed dues – MSME	-	-	-	-	-	**-**
(d) Disputed dues - Others	-	92.07	-	-	-	**92.07**
Total	**223.36**	**1,221.35**	**132.58**	**52.04**	**10.80**	**1,640.13**

Note : Ageing includes Long term and Short term Trade payable.

31 Current Financial Liabilities - Others

		As at 31st March, 2023 (₹ in Crores)	As at 31st March, 2022 (₹ in Crores)
Interest accrued but not due on borrowings		272.66	212.03
Payable on purchase of Property, Plant and Equipment		920.85	644.82
Derivative Instruments		0.40	86.44
Security Deposits from Consumers, Customers & Vendors		531.08	494.24
Refundable to customers on truing up		112.83	118.76
	Total	**1,837.82**	**1,556.29**

32 Other Current Liabilities

		As at 31st March, 2023 (₹ in Crores)	As at 31st March, 2022 (₹ in Crores)
Statutory liabilities		246.28	242.30
Advance from Customers		97.66	90.51
Other Payables		6.50	3.22
Deferred Revenue - Service Line Contributions from Consumers		12.90	11.12
Other Advances		0.45	0.45
	Total	**363.79**	**347.60**

33 Current Tax Liabilities (Net)

		As at 31st March, 2023 (₹ in Crores)	As at 31st March, 2022 (₹ in Crores)
Current Tax Liabilities (Net)		8.01	12.34
	Total	**8.01**	**12.34**

34 Revenue from Operations - From Generation, Transmission and Distribution Business

	For the year ended 31st March, 2023 (₹ in Crores)	For the year ended 31st March, 2022 (₹ in Crores)
a) Income from sale of Power and Transmission Charges		
Income from sale of Power and Transmission Charges (net)	12,100.42	9,996.36
Income under Service Concession Arrangements (SCA)	139.05	141.94
Total (a)	**12,239.47**	**10,138.30**
b) Other Operating Revenue		
Street Light Maintenance Charges	119.73	141.77
Cross subsidy Surcharge	69.95	65.97
Sale of Coal Rejects / Fly Ash	13.90	16.59
Amortisation of Service Line Contribution	15.03	11.05
Others	78.99	61.93
Total (b)	**297.60**	**297.31**
Total (a+b)	**12,537.07**	**10,435.61**

35 Revenue from Operations - From Trading Business

	For the year ended 31st March, 2023 (₹ in Crores)	For the year ended 31st March, 2022 (₹ in Crores)
Sale of Traded Goods	755.65	821.91
Total	**755.65**	**821.91**

36 Other Income

	For the year ended 31st March, 2023 (₹ in Crores)	For the year ended 31st March, 2022 (₹ in Crores)
Interest Income		
Bank	179.39	181.39
Others	315.38	327.60
Gain on Sale/Fair Value of Current Investments measured at FVTPL	21.24	10.12
Sale of Scrap	8.48	12.80
Bad debt recovery	17.89	4.95
Unclaimed liabilities / Excess provision written back	0.51	0.80
Sundry creditors written back	2.44	57.41
Miscellaneous Income	2.41	8.88
Total	**547.74**	**603.95**

37 Purchases of Stock - in - Trade

	For the year ended 31st March, 2023 (₹ in Crores)	For the year ended 31st March, 2022 (₹ in Crores)
Purchases of Stock - in - Trade	755.13	821.23
Total	**755.13**	**821.23**

38 Employee Benefits Expenses

	For the year ended 31st March, 2023 (₹ in Crores)	For the year ended 31st March, 2022 (₹ in Crores)
Salaries, Wages and Bonus (Refer note below)	797.10	664.04
Contribution to provident fund and other funds	67.48	68.86
Gratuity Expenses (refer note 53)	34.79	49.72
Staff Welfare Expenses	87.28	102.45
Total	**986.65**	**885.07**

Note :

During the year, a Special Voluntary Retirement Scheme (SVRS) 2023, was rolled out for employees of AEML as a part of its efforts to become more efficient, agile, and future-ready. Amount charged during the year towards expected pay out in this regard is ₹ 211.72 Crores (PY: ₹ Nil).

39 Finance costs

	For the year ended 31st March, 2023 (₹ in Crores)	For the year ended 31st March, 2022 (₹ in Crores)
Interest on Loans & Debentures	1,415.33	1,212.18
Interest on Trade Credits	107.67	108.62
Interest on Lease Obligation	9.41	11.20
Bank Charges & Other Borrowing Costs	41.72	21.03
Interest - Hedging Cost	1,207.34	1,011.92
Total	**2,781.47**	**2,364.95**

40 Other Expenses

	For the year ended 31st March, 2023 (₹ in Crores)	For the year ended 31st March, 2022 (₹ in Crores)
Stores and Spares	59.29	60.99
Transmission Charges	482.31	477.87
Repairs and Maintenance - Plant and Equipment	480.98	448.95
Repairs and Maintenance -Building	15.91	20.31
Repairs and Maintenance - Others	34.99	26.47
Short Term Lease Rental (Refer note 44)	24.97	17.15
Rates and Taxes	12.03	20.07
Legal & Professional Expenses	232.37	200.36
Payment to Auditors (including component auditors)	3.46	2.88
Travelling & Conveyance Expenses	47.42	34.01
Insurance Expenses	24.52	15.61
Bad Debt Written Off	15.21	18.31
Foreign Exchange Fluctuation Loss	0.46	1.00
Corporate Social Responsibility expenses	33.09	23.14
Security Charges	36.73	34.86
Provision for Doubtful Debts, Advances, Deposits	18.58	-
Loss on sale/scrapping of Property, Plant and Equipment	0.20	0.05
Bilateral Charges & Liquidated Damages*	114.14	-
Miscellaneous Expenses	172.51	98.15
Total	**1,809.17**	**1,500.18**

***Note :** In respect of certain subsidiaries of Adani Transmission Limited, on account of delay in commissioning of transmission assets for reasons beyond the control of the respective subsidiaries, a sum of ₹ 114.14 Crores has been provided toward bilateral charges and liquidated damages during the year ended 31st March, 2023. The subsidiaries have filed appeals against the same.

41 Income Tax

	For the year ended 31st March, 2023 (₹ in Crores)	For the year ended 31st March, 2022 (₹ in Crores)
Current Tax :		
In respect of current year	260.55	243.71
In respect of Previous years	0.39	0.52
Deferred Tax	174.39	191.83
Total	**435.33**	**436.06**

Tax recognised in other comprehensive income	For the year ended 31st March, 2023 (₹ in Crores)	For the year ended 31st March, 2022 (₹ in Crores)
Remeasurement of Defined Benefit Plans		
Total income tax recognised in other comprehensive income	(8.36)	(2.89)
Effective portion of gains and losses on designated portion of hedging instruments in a cash flow hedge		
Tax relating to items that will be reclassified to Profit or Loss	48.73	(2.44)
Total	**40.37**	**(5.33)**

Accounting profit before tax	1,711.72	1,700.49
Tax Rate	25.168%	25.168%
Income tax expense at tax rate applicable	430.80	427.98
Tax Effect of :		
Income and Expenses not allowed under Income Tax		
i) Differences in respect of Distribution on Perpetual Equity Instrument	(4.99)	(56.95)
ii) Current year Losses for which no Deferred Tax Asset is created	78.81	75.78
iii) Adjustments in respect of current income tax of previous year	1.72	5.11
iv) Non deductible Expenses	14.89	15.39
v) Subsidiary charged at different rate	139.39	126.64
vi) MAT Credit not recognised	239.28	225.38
vii) 80IA claims	(435.62)	(418.45)
viii) Unrecognized Deferred Tax upto Previous year	(1.11)	-
ix) Credit Taken for Previous year losses for which no deferred tax was recognized	(37.87)	-
x) Others (Includes Tax at different rate)	10.03	35.18
Gross Tax	**435.33**	**436.06**
Tax provisions :		
Current Tax: In respect of current year	260.55	243.71
Current Tax: In respect of Earlier Period	0.39	0.52
Net DTL / (DTA) recognised during the year	176.54	193.76
MAT Credit entitlement	(2.15)	(1.93)
Income tax recognised in statement of profit and loss at effective rate	**435.33**	**436.06**

Unrecognised deductible temporary differences, unused tax losses and unused tax credits

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following expiry as per details below :

(₹ in Crores)

As at 31st March, 2023	Business Losses	Unabsorbed Depreciation	Mat Credit	Total
Unrecognised deferred tax assets				
Within One Year	8.43	-	-	8.43
Greater than one year, less than five years	739.57	-	-	739.57
Greater than five years	718.27	-	1,577.94	2,296.21
No expiry date	-	276.78	-	276.78
Total	**1,466.27**	**276.78**	**1,577.94**	**3,320.99**

(₹ in Crores)

As at 31st March, 2022	Business Losses	Unabsorbed Depreciation	Mat Credit	Total
Unrecognised deferred tax assets				
Within One Year	-	-	-	-
Greater than one year, less than five years	392.42	-	-	392.42
Greater than five years	932.40	-	1,343.02	2,275.42
No expiry date	-	62.65	-	62.65
Total	**1,324.82**	**62.65**	**1,343.02**	**2,730.49**

42 Earnings per share (EPS)

			For the year ended 31st March, 2023	For the year ended 31st March, 2022
A	**After net Movement in Regulatory Deferral Balance**			
	Profit after tax attributable to the owners of the Company	(₹ in Crores)	1,256.33	1,204.61
	Less: Distribution on Unsecured perpetual Equity Instrument	(₹ in Crores)	(19.83)	(226.30)
	Net Profit attributable to Equity Shareholders including Regulatory income/(expense)	(₹ in Crores)	**1,236.50**	**978.31**
	Weighted average number of equity shares outstanding during the year	No	1,11,37,31,076	1,09,98,10,083
	Nominal Value of equity share	₹	10	10
	Basic / Diluted Earnings per Equity Share (Face Value of ₹ 10 each) after net Movement in Regulatory Deferral Balance	₹	**11.10**	**8.90**
B	**Before net Movement in Regulatory Deferral Balance**			
	Profit after tax attributable to the owners of the Company	(₹ in Crores)	1,256.33	1,204.61
	Less: Distribution on Unsecured perpetual Equity Instrument	(₹ in Crores)	(19.83)	(226.30)
	Add/(Less): Regulatory Income / (expense) (net)	(₹ in Crores)	(640.13)	(421.86)
	Net Profit attributable to Equity Shareholders including Regulatory income/(expense)	(₹ in Crores)	**596.37**	**556.45**
	Weighted average number of equity shares outstanding during the year	No	1,11,37,31,076	1,09,98,10,083
	Nominal Value of equity share	₹	10	10
	Basic / Diluted Earnings per Equity Share (Face Value of ₹ 10 each) before net Movement in Regulatory Deferral Balance	₹	**5.35**	**5.06**

43 Contingent liabilities and Commitments

	As at 31st March, 2023 (₹ in Crores)	As at 31st March, 2022 (₹ in Crores)
(i) Contingent liabilities :		
(a) Direct & Indirect tax	44.18	12.85
(b) Demand disputed by the Group relating to Service tax on street light Maintenance, wheeling charges and cross subsidy surcharges - (Refer note 1)	353.55	353.55
(c) Claims raised by the Government authorities towards unearned income arising on alleged transfer of certain land parcels.(Refer Note 1)	127.65	127.65
(d) 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 1)	1,381.28	1,381.28
(e) Way Leave fees claims disputed by the Group relating to rates charged (Refer Note 1)	28.43	28.43
(f) Other claims against the Group not acknowledged as debts	33.43	33.43
(g) Property related disputes (Refer Note 1)	2.59	2.59
(h) Demand disputed by the Company relating to Standby Charges payable (Refer Note 2)	213.79	-
(i) Claims pertaining to interest in respect of certain regulatory Liabilities (Refer Note 1)	@@	@@
(j) Liability in respect of disposal of bottom Ash	@@	@@
(k) Liability in respect of termination of power purchase lease agreement	@@	@@
Total	**2,184.90**	**1,939.78**

@@ Amount not determinable

1 In terms of the Share Purchase Agreement entered into by the Group with RINFRA, in the event the above matters are decided against the AEML and are not recoverable from the consumers, the same would be recovered from RINFRA.

2 Appeal has been filed by AEML under Section 111 of the Electricity Act, 2003, challenging the Order dated 31 March 2023 passed by the Maharashtra Electricity Regulatory Commission directing levy of Standby charges by Maharashtra State Electricity Distribution Company Limited.

3 The above Contingent Liabilities to the extent pertaining to Regulated Business having cost plus model, which on unfavourable outcome are recoverable from consumers subject to MERC/CERC approval.

4 Amounts in respect of employee related claims/disputes, consumer related litigation, regulatory matters is not ascertainable.

5 Future cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.

The Group, in respect of the above mentioned Contingent Liabilities has assessed that it is only possible but not probable that outflow of economic resources will be required.

(ii) Commitments :	As at 31st March, 2023 (₹ in Crores)	As at 31st March, 2022 (₹ in Crores)
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advance)	5,705.37	1,777.55
	5,705.37	**1,777.55**

(iii) Other Commitments:

a) For procurement of Hybrid (Solar/Wind) power on long term basis, AEML has entered into a long term 25 years PPA of 700 MW with a group entity (Adani Hybrid Energy Jaisalmer Four Limited) to purchase 700 MW of Wind Solar Hybrid Renewable Power at ₹ 3.24 per unit.

b) AEML has entered into a Power Purchase Agreement for procurement of Power 500 MW on Medium term basis, with a group entity (Adani Enterprises Limited) at ₹ 5.98 Per Unit.

(iv) The Group has acquired the control of Adani Electricity Mumbai Limited ("AEML") w.e.f. 29th August, 2018, through its purchase from Reliance Infrastructure Limited ("R-Infra"), of the equity shares of AEML.

On 21st August, 2022, R-Infra has filed a Consolidated statement of arbitration claims under the Share Purchase Agreement. The Management of the Group believes that the said claims are not tenable. The Management following the due process laid out under the Share Purchase Agreement for dispute resolution has responded against R-Infra in the arbitration proceedings.

The Hon'ble Supreme Court, while hearing in respect of the issues between Vidarbha Industries Power Limited ("VIPL"), R-Infra and AEML has being appraised that both R-Infra and VIPL have raised similar issues before two forums i.e., before the Hon'ble Supreme Court and Arbitrator. Therefore, the Hon'ble Supreme Court, considering the above submission, passed a direction vide order dated 22nd November, 2022, to stay the Arbitration Proceedings in view of pendency of the present case.

44 Leases

Disclosure under Ind AS 116 Leases:

(i) The following is the movement in Lease liabilities during the year ended 31st March, 2023

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	87.21	133.98
Lease Liabilities on account of Leases entered / terminated during the year	0.44	(26.71)
Finance Costs incurred during the year	9.41	11.20
Net Payments of Lease Liabilities	(25.87)	(31.26)
Closing Balance (Refer note 23)	**71.19**	**87.21**

(ii) The Group's significant leasing arrangements, other than lease hold land, are in respect of office premises, residential premises, warehouses and cash collection centers, taken on lease. The arrangements range between 11 months to 5 years generally and are usually renewable by mutual consent on mutually agreeable terms. Under these arrangements, generally refundable interest free deposits have been given. The Group has not entered into any material financial lease.

(iii) Leasing arrangements with respect to land range between 20 years to 99 years generally.The lease agreement is of fixed rate and non-cancellable. There is no contingent rent, no sub-leases and no restrictions imposed by the lease arrangements.

(iv) The expense relating to payments not included in the measurement of the lease liability and recognised as expenses in the statement of profit and loss during the year is as follows:
Low Value leases - Immaterial
Short-term leases - ₹ 24.97 Crores (31 March, 2022 ₹ 17.15 Crores)

45 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

(A) Ultimate Controlling Entity	S. B. Adani Family Trust (SBAFT)
(B) Key Management Personnel:	Mr. Gautam S. Adani, Chairman Mr. Rajesh S. Adani, Director Mr. Anil Sardana, Managing Director Ms. Meera Shankar - Non Executive - Independent Director Ms. Lisa Caroline Maccallum - Non Executive - Independent Director Dr. Ravindra H. Dholakia - Non Executive - Independent Director Mr. K. Jairaj - Non Executive - Independent Director Mr. Bimal Dayal, Chief Executive Officer - Transmission (from 2nd November, 2022) Mr. Kandarp Patel, Chief Executive Officer - Distribution (from 2nd November, 2022) Mr. Rohit Soni - Chief Financial Officer Mr. Jaladhi Shukla, Company Secretary
(C) Enterprises over which (A) or (B) above have control or significant influence :	Adani Airport Holdings Limited Adani Bulk Terminal (Mundra) Limited Adani Digital Labs Private Limited Adani Enterprises Limited Adani Gas Limited Adani Green Energy (UP) Limited Adani Green Energy Limited Adani Hazira Port Private Limited Adani Hospitals Mundra Private Limited Adani Hybrid Energy Jaisalmer Four Limited Adani Infra (India) Limited Adani Infrastructure Management Service Limited Adani International Container Terminal Private Limited Adani Krishnapatnam Port Limited Lucknow International Airport Limited Adani New Industries Limited Adani Petronet Dahej Port Private Limited Adani Ports And Special Economic Zone Limited Adani Power (Jharkhand) Limited Adani Power (Mundra) Limited (Amalgamated With Adani Power Limited) Adani Power Limited Adani Power Maharashtra Limited (Amalgamated With Adani Power Limited) Adani Renewable Energy (KA) Limited Adani Renewable Energy Holding Twelve Limited (Formerly known as Adani Green Energy Twenty Eight Limited) Adani Sportsline Private Limited Adani Total Gas Limited Ahmedabad International Airport Limited Alpha Design Technologies Private Limited Ambuja Cements Limited Belvedere Golf And Country Club Private Limited Dighi Port Limited Guwahati International Airport Limited Karnavati Aviation Private Limited Mangaluru International Airport Limited Mumbai International Airport Limited Mundra Petrochem Limited Mundra Sez Textile And Apparel Park Private Limited Mundra Solar Energy Limited Mundra Solar PV Limited PLR Systems Private Limited Raipur Energen Limited (Amalgamated With Adani Power Limited) SBRSR Power Cleantech Eleven Private Limited Superheights Infraspace Private Limited Udupi Power Corporation Limited (Amalgamated with Adani Power Limited) Valuable Properties Private Limited Adani Green Energy Six Limited Adani Renewable Energy Park Rajasthan Limited Adani Vizhinjam Port Private Limited Mundra Solar Techno Park Private Limited Raigarh Energy Generation Limited Adani Mundra SEZ Infrastructure Private Limited Kamuthi Solar Power Limited Adani Properties Private Limited Sunbourne Developers Private Limited Adani Foundation Adani Power Rajasthan Limited (Amalgamated with Adani Power Limited) Adani Estate Management Private Limited Adani Institute For Education & Research AEML Superannuation Fund

Enterprises having significant influence of Ultimate Controlling Entity, the names and the nature of relationships is disclosed only when the transactions are entered into by the Company with the related parties during the existence of the related party relationship.

(₹ in Crores)

Nature of Transaction	Name of Related Party	For the year ended 31st March, 2023	For the year ended 31st March, 2022
CSR Expenditure	Adani Foundation	25.76	21.73
Distribution on Perpetual Equity Instruments	Adani Infra (India) Limited	19.83	226.30
EMD Deposit	Adani Total Gas Limited	0.10	-
Employee balance transfer	Adani Airport Holdings Limited	0.62	0.05
	Adani Enterprises Limited	0.23	0.07
	Adani Green Energy Limited	0.57	0.14
	Adani Infrastructure Management Service Limited	0.08	0.23
	Adani Krishnapatnam Port Limited	0.44	0.00
	Lucknow International Airport Limited	0.02	-
	Adani New Industries Limited	0.08	-
	Adani Petronet Dahej Port Private Limited	0.01	-
	Adani Ports And Special Economic Zone Limited	0.24	0.01
	Adani Power (Jharkhand) Limited	0.08	-
	Adani Power (Mundra) Limited (Amalgamated with Adani Power Limited)	0.09	0.03
	Adani Power Limited	0.19	0.06
	Adani Power Maharashtra Limited (Amalgamated with Adani Power Limited)	0.01	0.20
	Adani Power Rajasthan Limited (Amalgamated with Adani Power Limited)	-	0.02
	Adani Sportsline Private Limited	0.09	-
	Adani Vizhinjam Port Private Limited	0.04	-
	Ahmedabad International Airport Limited	0.02	0.13
	Ambuja Cements Limited	0.90	-
	Dighi Port Limited	0.01	-
	Guwahati International Airport Limited	0.05	-
	Mangaluru International Airport Limited	-	0.06
	Mumbai International Airport Limited	0.50	0.09
	Mundra Petrochem Limited	0.11	-
	Mundra Solar PV Limited	0.85	-
	PLR Systems Private Limited	0.03	-
	Raigarh Energy Generation Limited	-	0.05
	Raipur Energen Limited (Amalgamated With Adani Power Limited)	0.24	-
	Udupi Power Corporation Limited (Amalgamated With Adani Power Limited)	-	0.05
	Valuable Properties Private Limited	-	0.06
Interest Expenses	Adani Infra (India) Limited	0.12	4.72
	Adani Properties Private Limited	3.66	16.85
Interest Income	Adani Enterprises Limited	22.69	50.12
	Adani Infra (India) Limited	15.21	16.56
	Adani Properties Private Limited	108.61	117.12
Loan Given	Adani Infra (India) Limited	119.72	427.40
	Adani Properties Private Limited	1,591.13	340.00
Loan Received back	Adani Infra (India) Limited	179.32	367.80
	Adani Properties Private Limited	2,631.13	340.00
Loan Repaid	Adani Infra (India) Limited	-	1,071.94
	Adani Properties Private Limited	907.40	2,543.34
Loan Taken	Adani Infra (India) Limited	104.58	721.17
	Adani Properties Private Limited	765.38	2,751.55
Purchase of Goods / Receiving of Services	Adani Digital Labs Private Limited	0.03	-
	Adani Enterprises Limited	2,175.78	1,384.79
	Adani Estate Management Private Limited	0.02	-
	Adani Gas Limited	-	0.00
	Adani Green Energy (UP) Limited	-	2.45
	Adani Hospitals Mundra Private Limited	0.07	0.81
	Adani Hybrid Energy Jaisalmer Four Limited	708.82	93.55
	Adani Infra (India) Limited	11.37	13.37
	Adani Infrastructure Management Service Limited	78.23	68.54
	Adani Institute For Education & Research	0.02	0.02
	Adani Petronet Dahej Port Private Limited	4.04	-
	Adani Ports And Special Economic Zone Limited	9.21	3.13
	Adani Power (Mundra) Limited (Amalgamated with Adani Power Limited)	142.94	0.99
	Adani Renewable Energy (KA) Limited	10.56	-
	Alpha Design Technologies Private Limited	3.54	-
	Belvedere Golf and Country Club Private Limited	0.27	0.01
	Karnavati Aviation Private Limited	9.00	7.63
	Mumbai International Airport Limited	1.14	1.09
	Mundra Sez Textile And Apparel Park Private Limited	0.05	0.01
	Mundra Solar Energy Limited	1.25	-
	Mundra Solar PV Limited	0.18	0.00
	SBRSR Power Cleantech Eleven Private Limited	0.62	-
	Udupi Power Corporation Limited (Amalgamated With Adani Power Limited)	25.86	-
Purchase of Investment	Adani Ports And Special Economic Zone Limited	-	116.27
Purchase of Land	Adani Enterprises Limited	0.08	-
Reimbursement of Expenses	Adani Enterprises Limited	6.01	-
Repayment of Perpetual Securities	Adani Infra (India) Limited	3,055.65	-
Sale of Goods / Rendering of Services	Adani Enterprises Limited	17.37	-
	Adani Green Energy Six Limited	-	0.02
	Adani Institute For Education & Research	-	0.07
	Adani Power Limited	1.82	-
	Adani Power Rajasthan Limited (Amalgamated with Adani Power Limited)	3.86	-
	Adani Renewable Energy Park Rajasthan Limited	-	0.00
	Mundra Sez Textile And Apparel Park Private Limited	0.07	0.01
	Mundra Solar Techno Park Private Limited	12.95	-

Nature of Transaction	Name of Related Party	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Security Deposit for Bidding	Adani Renewable Energy Holding Twelve Limited (Formerly known as Adani Green Energy Twenty Eight Limited)	0.04	-
Advance	Adani Bulk Terminal (Mundra) Limited	6.12	-
Advance paid towards Purchase of property-Received back	Sunbourne Developers Private Limited	-	271.00
Towards acquisition of leasehold land	Superheights Infraspace Private Limited	-	510.00
Contribution to Employee Benefits	AEML Superannuation Fund	7.71	7.76
Director Sitting Fees	Director Sitting Fees	0.35	0.25
Compensation of Key Management Personnel	Short-term benefits	22.50	9.89
Compensation of Key Management Personnel	Post-employment benefits	0.86	0.32

Note :

(i) All above transactions are in the normal course of business and are made on terms equivalent to those that prevail at arm's length transactions.

(ii) MPSEZ Utilities Limited, a wholly owned subsidiary of Adani Transmission Limited is dealing in the distribution of Power to the domestic, industrial and commercial consumers. The above related party transaction do not include the transactions of Sale of Power to the Related Parties in ordinary course of business, as all such transactions are done at Arm's Length Price Only. As per Para 11(C) (iii) of IND AS -24 "Related Party Disclosures", normal dealings of Company with Related Parties by virtue of public utilities are excluded from the purview of Related Party Disclosures.

(₹ in Crores)

Closing Balance	Name of Related Party	As at 31st March, 2023	As at 31st March, 2022
Balance Payable	Adani Airport Holdings Limited	0.49	0.05
	Adani Bulk Terminal (Mundra) Limited	6.12	-
	Adani Digital Labs Private Limited	0.01	-
	Adani Enterprises Limited	200.68	327.66
	Adani Gas Limited	-	0.18
	Adani Green Energy (UP) Limited	-	2.58
	Adani Green Energy Limited	0.62	0.13
	Adani Hazira Port Private Limited	0.03	-
	Adani Hospitals Mundra Private Limited	0.04	-
	Adani Hybrid Energy Jaisalmer Four Limited	140.89	42.66
	Adani Infra (India) Limited	3.84	2.54
	Adani Infrastructure Management Service Limited	93.44	52.27
	Adani International Container Terminal Private Limited	0.02	-
	Adani Krishnapatnam Port Limited	0.44	-
	Lucknow International Airport Limited	0.02	-
	Adani New Industries Limited	0.05	-
	Adani Petronet Dahej Port Private Limited	0.01	-
	Adani Ports And Special Economic Zone Limited	11.68	3.00
	Adani Power (Jharkhand) Limited	0.02	-
	Adani Power (Mundra) Limited (Amalgamated With Adani Power Limited)	14.56	0.78
	Adani Power Limited	0.01	-
	Adani Power Maharashtra Limited (Amalgamated With Adani Power Limited)	0.01	-
	Adani Power Rajasthan Limited (Amalgamated with Adani Power Limited)	-	0.02
	Adani Renewable Energy (KA) Limited	0.14	-
	Adani Renewable Energy Holding Twelve Limited (Formerly known as Adani Green Energy Twenty Eight Limited)	0.04	-
	Adani Sportsline Private Limited	0.09	-
	Adani Total Gas Limited	0.28	-
	Ahmedabad International Airport Limited	0.02	0.13
	Alpha Design Technologies Private Limited	0.40	-
	Ambuja Cements Limited	0.90	-
	Belvedre Golf And Country Club Private Limited	-	0.00
	Dighi Port Limited	0.01	-
	Guwahati International Airport Limited	0.05	-
	Karnavati Aviation Private Limited	6.05	3.00
	Mangaluru International Airport Limited	0.10	0.06
	Mumbai International Airport Limited	0.59	0.06
	Mundra Petrochem Limited	0.11	-
	Mundra Sez Textile And Apparel Park Private Limited	0.01	0.01
	Mundra Solar Energy Limited	1.40	-
	Mundra Solar PV Limited	0.95	0.10
	PLR Systems Private Limited	0.03	-
	Raipur Energen Limited (Amalgamated With Adani Power Limited)	0.01	-
	SBRSR Power Cleantech Eleven Private Limited	0.62	-
	Superheights Infraspace Private Limited	79.00	79.00
	Udupi Power Corporation Limited (Amalgamated with Adani Power Limited)	3.46	-
	Valuable Properties Private Limited	0.06	0.06
Balance Receivable	Ahmedabad International Airport Limited	0.05	0.05
	Adani Enterprises Limited	0.54	-
	Adani Green Energy Limited	0.04	0.15
	Adani Green Energy Six Limited	-	0.03
	Adani Infrastructure Management Service Limited	0.04	0.00
	Adani Krishnapatnam Port Limited	-	0.01
	Adani New Industries Limited	0.03	-
	Adani Ports And Special Economic Zone Limited	0.23	-
	Adani Power (Jharkhand) Limited	0.06	-
	Adani Power (Mundra) Limited (Amalgamated With Adani Power Limited)	0.06	0.06
	Adani Power Limited	2.20	0.24
	Adani Power Maharashtra Limited (Amalgamated With Adani Power Limited)	0.20	0.20
	Adani Renewable Energy Park Rajasthan Limited	-	0.00

Closing Balance	Name of Related Party	As at 31st March, 2023	As at 31st March, 2022
Balance Receivable	Adani Vizhinjam Port Private Limited	0.03	-
	Mumbai International Airport Limited	13.05	-
	Mundra Sez Textile And Apparel Park Private Limited	-	0.00
	Mundra Solar Techno Park Private Limited	6.69	-
	Raigarh Energy Generation Limited	-	0.05
	Raipur Energen Limited (Amalgamated With Adani Power Limited)	0.22	-
	Udupi Power Corporation Limited (Amalgamated with Adani Power Limited)	0.04	0.04
Capital Advance	Adani Infra (India) Limited	106.48	100.03
	Adani Mundra SEZ Infrastructure Private Limited	13.80	13.80
Deposits Given Balance	Adani Ports And Special Economic Zone Limited	-	0.00
Interest Accrued due Receivable	Adani Infra (India) Limited	-	12.03
Land Advance	Kamuthi Solar Power Limited	-	0.00
Loan Payable	Adani Infra (India) Limited	104.70	-
	Adani Properties Private Limited	125.01	217.40
Loans Receivable	Adani Infra (India) Limited	-	59.60
	Adani Properties Private Limited	-	1,040.00
Unsecured Perpetual Equity Instrument	Adani Infra (India) Limited	-	3,055.65

46 Fair Value Measurement :

a) The carrying value of financial instruments by categories as of 31st March, 2023 is as follows :

(₹ in Crores)

Particulars	Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Total Carrying value in books	Fair value
Financial Assets					
Investments in Mutual Funds	-	1,020.43	-	1,020.43	1,020.43
Investments in Government securities	-	25.78	323.47	349.25	326.89
Trade Receivables	-	-	1,437.59	1,437.59	1,437.59
Cash and Cash Equivalents	-	-	190.64	190.64	190.64
Bank Balances other than Cash and Cash Equivalents above	-	-	1,513.50	1,513.50	1,513.50
Loans	-	-	503.30	503.30	503.30
Derivative instruments	-	926.86	-	926.86	926.86
Other Financial Assets	-	-	4,954.23	4,954.23	4,954.23
Total	**-**	**1,973.07**	**8,922.73**	**10,895.80**	**10,873.44**
Financial Liabilities					
Borrowings (Including current maturities and Interest Accrued)	-	-	34,471.50	34,471.50	29,924.20
Derivative instruments	(341.59)	346.39	-	4.80	4.80
Other Financial Liabilities	-	-	1,970.39	1,970.39	1,970.39
Trade Payables	-	-	1,833.19	1,833.19	1,833.19
Total	**(341.59)**	**346.39**	**38,275.08**	**38,279.88**	**33,732.58**

b) The carrying value of financial instruments by categories as of 31st March, 2022 is as follows :

(₹ in Crores)

Particulars	Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Total Carrying value in books	Fair value
Financial Assets					
Investments in Mutual Funds	-	260.53	-	260.53	260.53
Investments in Government securities	-	34.68	265.31	299.99	282.77
Trade Receivables	-	-	1,070.84	1,070.84	1,070.84
Cash and Cash Equivalents	-	-	189.05	189.05	189.05
Bank Balances other than Cash and Cash Equivalents above	-	-	1,303.52	1,303.52	1,303.52
Loans	-	-	1,136.35	1,136.35	1,136.35
Derivative instruments	-	305.44	-	305.44	305.44
Other Financial Assets	-	-	4,292.33	4,292.33	4,292.33
Total	**-**	**600.65**	**8,257.40**	**8,858.05**	**8,840.83**
Financial Liabilities					
Borrowings (Including current maturities and Interest Accrued)	-	-	30,026.61	30,026.61	28,662.19
Derivative instruments	(262.79)	415.25	-	152.46	152.46
Other Financial Liabilities	-	-	1,613.82	1,613.82	1,613.82
Trade Payables	-	-	1,640.13	1,640.13	1,640.13
Total	**(262.79)**	**415.25**	**33,280.56**	**33,433.02**	**32,068.60**

The management assessed that the fair value of cash and cash equivalents, other balance with banks, trade receivables, loans, trade payables, other financial assets and liability approximate their carrying amount largely due to the short term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values.

Fair value of mutual funds are based on the price quotations near the reporting date.

The fair value of Government Securities have been determined based on the prevailing market rate as on the reporting date.

The fair value of loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flow using rates currently available for debt on similar terms, credit risk and remaining maturities.

The Group enters into derivative financial instruments with various counterparties, principally banks and financial institutions with investment grade credit ratings. Foreign exchange derivatives 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.

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47 Fair Value hierarchy :

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2022
	Level 1	Level 2	Level 1	Level 2
Assets measured at fair value				
Investments in unquoted Mutual Funds measured at FVTPL	-	1,020.43	-	260.53
Financial Investments - in treasury bills at FVTPL	25.78		34.68	-
Asset for which Fair Value are disclosed				
- Government Securities	301.11	-	248.09	-
Derivative Instruments				
Derivative Instruments	-	926.86	-	305.44
Total	**326.89**	**1,947.29**	**282.77**	**565.97**
Derivative Instruments				
Derivative Instruments	-	4.80	-	152.46
Liabilities for which fair values are disclosed				
Borrowings (Including current maturities and Interest Accrued)	14,802.51	15,121.69	15,686.62	12,975.57
Total	**14,802.51**	**15,126.49**	**15,686.62**	**13,128.03**

The fair value of Government Securities have been determined based on the prevailing market rate as on the reporting date

The fair value of Derivative instruments is derived using valuation techniques which include forward pricing and swap models using present value calculations.

The Borrowing includes USD bonds which are listed in Singapore Stock Exchange. The fair value of Bonds have been determined based on the prevailing market rate as on the reporting date. The fair value of rest of the borrowings is equivalent to carrying value.

48 Capital Management

The Group's objectives to manage capital is to safeguard continuity and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Group's overall strategy remains unchanged from previous year.

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

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

No changes were made in the objectives, policies or processes for managing capital during the years ended as at 31st March, 2023 and as at 31st March, 2022.

(₹ in Crores)

Particulars	Refer Note	As at 31st March, 2023	As at 31st March, 2022
Total Borrowings (Including Current Maturities of Long Term Debt)	22 & 29	34,198.84	29,814.58
Less: Cash and bank balances	14 & 15	1,704.14	1,392.87
Less: Current Investments	12	1,056.79	296.35
Net Debt (A)		**31,437.91**	**28,125.36**
Equity Share Capital & Other Equity	19 & 21	11,662.44	6,857.17
Unsecured Perpetual Equity Instrument	20	-	3,055.65
Total Equity (B)		**11,662.44**	**9,912.82**
Total Equity and Net Debt (C=A+B)		**43,100.35**	**38,038.18**
Gearing Ratio : (A)/(C)		**0.73**	**0.74**

49 Financial Risk Management Objectives

The Group's principal financial liabilities comprises borrowings, trade and other payables, The main purpose of these financial liabilities is to finance the Group's operations/projects .The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

In the ordinary course of business, the Group is mainly exposed to risks resulting from exchange rate fluctuation (currency risk), interest rate movements (interest rate risk) collectively referred as Market Risk, Credit Risk, Liquidity Risk and other price risks such as equity price risk. The Group's senior management oversees the management of these risks. It manages its exposure to these risks through derivative financial instruments by hedging transactions. It uses derivative instruments such as Principal only Swaps, Interest rate swaps, Cross Currency Swaps, foreign currency future options and foreign currency forward contract to manage these risks. These derivative instruments reduce the impact of both favorable and unfavorable fluctuations.

The Group's risk management activities are subject to the management, direction and control of Central Treasury Team of the Group under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board of Directors of the Group. The Group's central treasury team ensures appropriate financial risk governance framework for the Group through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

The decision of whether and when to execute derivative financial instruments along with its tenure can vary from period to period depending on market conditions and the relative costs of the instruments. The tenure is linked to the timing of the underlying exposure, with the connection between the two being regularly monitored. The Group is exposed to losses in the event of non-performance by the counterparties to the derivative contracts. All derivative contracts are executed with counterparties that, in our judgment, are creditworthy. The outstanding derivatives are reviewed periodically to ensure that there is no inappropriate concentration of outstanding to any particular counterparty.

In the ordinary course of business, the Group is exposed to Market risk, Credit risk, and Liquidity risk.

Market risk

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

Interest rate risk

The Group is exposed to changes in market interest rates due to financing, investing and cash management activities. The Group's exposure to the risk of changes in market interest rates relates primarily to The Group's long-term debt obligations with floating interest rates and period of borrowings. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group enters into interest rate swap contracts or cross currency swap contracts to manage its exposure to changes in the underlying benchmark interest rates.

Interest rate sensitivity

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

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Group's profit for the year ended March 31, 2023 would decrease / increase by ₹ 47.22 Crores (Previous Year ₹ 36.51 crores). This is mainly attributable to interest rates on variable rate borrowings.

The year end balances are not necessarily representative of the average debt outstanding during the year.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's foreign currency borrowings. The Group manages its foreign currency risk by hedging transactions that are expected to realise in future.

a) The Group has taken various derivatives to hedge its foreign exposure. The outstanding position of exposure against variation in interest rates and foreign exchange rate are as under:

Nature	Purpose	As at 31st March, 2023		As at 31st March, 2022	
		₹ in Crores	Foreign Currency (in Million)	₹ in Crores	Foreign Currency (in Million)
(i) Principal only swaps	Hedging of foreign currency borrowings principal liability	10,555.56	USD 1,284.60	9,266.77	USD 1,222.65
(ii) Forward covers	a. Hedging of foreign currency borrowing principal b. Hedging of foreign currency interest liability	278.36	USD 33.88	5,794.96	USD 764.58
(iii) Cross Currency Swaps*	Hedging of foreign currency borrowing principal & interest liability	14,951.62	USD 1808.93 EUR 9.80	4,000.20	USD 516 EUR 10.60
(iv) Options	Hedging of foreign currency borrowing principal & interest liability	-	-	4,411.12	USD 582
(v) Coupon only Swaps	Hedging of foreign currency borrowing interest liability	4,930.20	USD 600	4,547.55	USD 600

*Note : During the previous year, the Group had executed 4 year cross currency swaps derivative contract of USD 300 million to hedge outstanding Sustainability linked bond of USD 300 million which became effective from 22 July 2022 and accordingly, was not included in above figures as at 31st March, 2022.

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

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	₹ in Crores	Foreign Currency (in Million)	₹ in Crores	Foreign Currency (in Million)
(i) Interest accrued but not due	-	-	53.28	USD 7.03
(ii) Current financial liabilities	-	-	20.69	USD 2.73
(iii) Creditors	7.79 0.32	USD 0.95 EUR 0.04	110.03 0.03	USD 14.52 EUR 0.00*

**EUR 3115*

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

(₹ in Crores)

Particulars	For the Year 2022-23		For the Year 2021-22	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Foreign Currency Sensitivity				
RUPEES / USD - (Increase) / Decrease	(0.08)	0.08	(1.63)	1.63
RUPEES / EUR - (Increase) / Decrease	(0.00)	0.00	(0.00)	0.00

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted the policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial losses from default, and generally does not obtain any collateral or other security on trade receivables.

The carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk. Since the Group is an ISTS licensees, the responsibility for billing and collection on behalf of the Group lies with the CTU/STU. Based on the fact that the collection by CTU/STU is from Designated ISTS Customers (DICs) which in majority of the cases are state government organisations and further based on an analysis of the past trends of recovery, the management is of the view that the entire receivables are fully recoverable. Accordingly, the Group does not recognize any impairment loss on its receivables.

Liquidity risk

The Group monitors its risk of shortage of funds using cash flow forecasting models. These models consider the maturity of its financial investments, committed funding and projected cash flows from operations. The Group's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner and to manage its capital structure. A balance between continuity of funding and flexibility is maintained through the use of various types of borrowings.

The table below analysis derivative and non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in Crores)

As at 31st March, 2023	Less than 1 year	1-5 years	Over 5 years	Total
Borrowings#	5,509.42	20,698.31	27,320.20	53,527.93
Trade Payables	1,800.43	-	32.76	1,833.19
Derivative Liabilities	0.40	4.40	-	4.80
Other financial Liabilities (Including Lease Liability Obligation)	1,856.92	369.22	16.91	2,243.05

(₹ in Crores)

As at 31st March, 2022	Less than 1 year	1-5 years	Over 5 years	Total
Borrowings#	4,729.68	11,980.31	26,648.78	43,358.77
Trade Payables	1,607.91	-	32.22	1,640.13
Derivative Liabilities	86.44	66.02	-	152.46
Other financial Liabilities (Including Lease Liability Obligation)	1,490.94	318.00	16.91	1,825.85

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

Derivative Financial Instrument

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

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

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

The Group enters into derivative financial instruments, such as forward currency contracts, cross currency swaps, options, interest rate futures and interest rate swaps for hedging the liabilities incurred/recorded and accounts for them as cash flow hedges and states them at fair value. The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss. Amounts recognised in OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. These hedges have been effective for the year ended March 31, 2023.

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

(₹ in Crores)

Derivative Financials Instruments	As at 31st March, 2023		As at 31st March, 2022	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedge				
Call Option	-	-	58.10	0.00
Cross Currency Swaps	367.96	3.60	47.39	0.00
Interest Rate Swaps	-	-	-	6.55
Foreign Currency Swaps	38.15	0.80	-	-
-Coupon Only Swaps	14.45	-	(5.79)	0.00
-Forward	2.09	0.40	0.62	79.89
-Principal Only Swaps	504.21	-	205.12	66.02
Total	**926.86**	**4.80**	**305.44**	**152.46**

50 **Segment information:-Operating Segments**

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

i) Transmission
ii) Trading
iii) GTD Business

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

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

Information regarding the company's reportable segments is presented below:

(₹ in Crores)

Particulars	Transmission	Trading	GTD Business	Elimination	Total
1 Revenue					
External Sales	**3,945.16**	**755.65**	**8,591.91**	-	**13,292.72**
	3,469.33	*821.91*	*6,966.28*	-	*11,257.52*
Total Revenue	**3,945.16**	**755.65**	**8,591.91**	-	**13,292.72**
	3,469.33	*821.91*	*6,966.28*	-	*11,257.52*
Results					
Segment Results	**2,607.31**	**0.52**	**1,337.62**	-	**3,945.45**
	2,428.76	*0.68*	*1,032.05*	-	*3,461.49*
Unallocated Corporate Income (Net)					**547.74**
					603.95
Operating Profit					**4,493.19**
					4,065.44
Less: Finance Expense					**(2,781.47)**
					(2,364.95)
Profit before tax					**1,711.72**
					1,700.49
Current Taxes					**260.94**
					244.23
Deferred Tax					**170.18**
					220.51
Total Tax					**431.12**
					464.74
Profit after tax					**1,280.60**
					1,235.75
Less: Non-Controlling Interests					**(24.27)**
					(31.14)
Net profit					**1,256.33**
					1,204.61
3 Other Information					
Segment Assets	**27,278.24**	**-**	**20,084.83**	-	**47,363.07**
	23,307.33	-	*18,536.67*	-	*41,844.00*
Unallocated Corporate Assets					***6,568.68***
					5,620.11
Total Assets					**53,931.75**
					47,464.11
Segment Liabilities	**1,120.70**	**-**	**4,026.65**	-	**5,147.35**
	955.63	-	*3,896.11*	-	*4,851.74*
Unallocated Corporate Liabilities					***36,024.41***
					31,605.87
Total liabilities					**41,171.76**
					36,457.61
Depreciation /Amortisation	**855.86**	-	**751.88**	-	**1,607.74**
	773.32	-	*653.83*	-	*1,427.15*
Non Cash Expenditure other then Depreciation/ Amortisation	**0.66**	-	**15.21**	-	**15.87**
	5.12	-	*18.31*	-	*23.43*
Capital Expenditure	***3,547.51***	-	**1,154.70**	-	**4,702.21**
	2,955.43	-	*1,235.43*	-	*4,190.86*

Previous figures are given in italics

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

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

51 Transaction with Struck Off Companies

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding (₹ in Crores)	Relation with the struck off company, if any, to be disclosed
As at 31 March, 2023			
Payables			
Saptagiri Electrical Engineering	Purchase of Service	0.02	Vendor
Inavit Engineering & Consulting Pvt	Purchase of Service	0.01	Vendor
Sanjyot Laser Pvt Ltd	Purchase of Service	0.01	Vendor
Receivables			
Shree Sai Seva Kripa Sra Society Ltd	Sale of Power	0.01	Consumer
Shanti Sagar Realty India Private Ltd	Sale of Power	0.01	Consumer
N R Enterprises Ltd	Sale of Power	0.01	Consumer
Parekh Bldg Dev P Ltd	Sale of Power	0.01	Consumer
Comet Plast Machinery P Ltd	Sale of Power	0.01	Consumer
Others - 797 Parties < 50K	Sale of Power	0.15	Consumer
As at 31 March, 2022			
Payables			
Silent Sentinels Electrical Consultant Pvt Ltd	Purchase of Service	0.01	Vendor
Receivables			
Ashiana Infrahomes Pvt. Ltd.	Recovery towards capital advances	0.33	Vendor
M S Gem Printers Pvt Ltd	Sale of Power	0.13	Consumer
B B Consulting N Eng Pvt Ltd	Sale of Power	0.01	Consumer
Uday Real Tdrs Pvt.Ltd	Sale of Power	0.01	Consumer
Unilink Tel Services (I) Pvt. Ltd.	Sale of Power	0.02	Consumer
Flex Foot Wear India Pvt. Ltd.	Sale of Power	0.01	Consumer
Kool Dring & Pack Private Limited	Sale of Power	0.02	Consumer
SSV Developeres & Indian Holiday Resort Private Limited	Sale of Power	0.10	Consumer
Others - 361 Parties < 50K	Sale of Power	0.09	Consumer

52 Additional information of net assets and share in profit or loss contributed by various entities as recognised under Schedule III of the Companies Act, 2013

Sr. No.	Name of the Entity	As % of Consolidated Net Assets as on 31st March, 2023	₹ in Crores	As % of Consolidated Profit or Loss for the year ended 31st March, 2023	₹ in Crores	As % of Consolidated Other Comprehensive Income for the year ended 31st March, 2023	₹ in Crores	As % of Consolidated Total Comprehensive Income for the year ended 31st March, 2023	₹ in Crores
1	Adani Transmission Limited	51.92%	10,326.65	13.08%	170.28	13.42%	(40.49)	12.97%	129.79
	Subsidiaries (Indian)								
2	Maharashtra Eastern Grid Power Transmission Company Limited	18.83%	3,744.75	52.52%	683.90	-0.05%	0.15	68.38%	684.05
3	Adani Transmission (India) Limited	14.20%	2,824.06	24.39%	317.64	0.01%	(0.02)	31.75%	317.62
4	Sipat Transmission Limited	0.56%	110.92	2.06%	26.79	8.87%	(26.76)	0.00%	0.03
5	Raipur-Rajnandgaon-Warora Transmission Limited	1.25%	249.31	4.92%	64.12	20.08%	(60.58)	0.35%	3.54
6	Chhattisgarh-WR Transmission Limited	0.81%	160.87	2.11%	27.52	14.54%	(43.87)	-1.63%	(16.35)
7	Adani Transmission (Rajasthan) Limited	0.17%	33.32	0.61%	7.98	-	(0.01)	0.80%	7.97
8	North Karanpura Transco Limited	0.16%	30.92	-0.14%	(1.85)	0.02%	(0.05)	-0.19%	(1.90)
9	Maru Transmission Service Company Limited	0.15%	30.11	0.51%	6.63	0.00%	(0.01)	0.66%	6.62
10	Aravali Transmission Service Company Limited	0.02%	3.95	0.19%	2.45	-0.06%	0.17	0.26%	2.62
11	Western Transco Power Limited	1.08%	214.07	1.67%	21.76	0.00%	(0.01)	2.17%	21.75
12	Western Transmission (Gujarat) Limited	0.73%	145.84	0.99%	12.86	0.00%	(0.01)	1.28%	12.85
13	Hadoti Power Transmission Service Limited	0.46%	91.72	1.67%	21.71	2.47%	(7.44)	1.43%	14.27
14	Barmer Power Transmission Service Limited	0.38%	76.46	1.33%	17.29	1.73%	(5.21)	1.21%	12.08
15	Thar Power Transmission Service Limited	0.33%	64.86	1.15%	14.97	1.60%	(4.82)	1.01%	10.15
16	Fatehgarh-Bhadla Transmission Limited	-0.09%	(16.91)	-2.28%	(29.65)	0.00%	(0.01)	-2.96%	(29.66)
17	Ghatampur Transmission Limited	1.29%	257.06	5.27%	68.56	0.00%	(0.01)	6.85%	68.55
18	Adani Transmission Bikaner Sikar Private Limited	0.35%	70.57	0.80%	10.41	-	-	1.04%	10.41
19	OBRA-C Badaun Transmission Limited	0.42%	83.20	1.03%	13.42	0.01%	(0.03)	1.34%	13.39
20	Adani Electricity Mumbai Limited	23.71%	4,716.06	7.31%	95.18	24.51%	(73.93)	2.12%	21.25
21	Adani Electricity Navi Mumbai Limited (Formerly known as AEML Infrastructure Limited)	0.00%	(0.06)	0.00%	(0.05)	-	-	-0.01%	(0.05)
22	Bikaner-Khetri Transmission Limited	0.93%	184.90	2.20%	28.65	0.00%	(0.01)	2.86%	28.64
23	WRSS XXI (A) Transco Limited	-0.01%	(1.54)	-0.26%	(3.39)	-0.67%	2.03	-0.14%	(1.36)
24	Lakadia Banaskantha Transco Limited	-0.03%	(6.76)	-0.61%	(7.92)	-0.52%	1.58	-0.63%	(6.34)
25	Jam Khambaliya Transco Limited	0.12%	23.60	0.27%	3.51	0.01%	(0.02)	0.35%	3.48
26	Arasan Infra Limited (Formerly Known as Arasan Infra Private Limited)	0.00%	(0.50)	-0.01%	(0.17)	0.00%	-	-0.02%	(0.17)
27	Sunrays Infra Space Limited (Formerly Known as Sunrays Infra Space Private Limited)	-0.01%	(1.53)	-0.03%	(0.38)	0.00%	-	-0.04%	(0.38)
28	Power Distribution Services Limited	0.03%	5.73	0.15%	1.91	0.00%	-	0.19%	1.91
29	Adani Electricity Mumbai Infra Limited	1.92%	382.05	0.00%	(0.00)	0.02%	(0.05)	-	(0.05)
30	Alipurduar Transmission Limited	1.45%	289.41	2.41%	31.49	0.00%	(0.00)	3.15%	31.49
31	Khar Ghar Vikhroli Transmission Limited (Formerly known as Khar Ghar Vikhroli Transmission Private Limited)	0.00%	(0.29)	0.00%	(0.06)	-0.20%	0.59	0.05%	0.53
32	Warora Kurnool Transmission Limited	1.43%	284.12	-4.73%	(61.60)	0.03%	(0.09)	-6.17%	(61.69)
33	AEML Seepz Limited	0.00%	(0.37)	-0.03%	(0.37)	0.00%	-	-0.04%	(0.37)
34	Adani Trans Step One Limited	-23.01%	(4,576.41)	-20.19%	(262.89)	14.11%	(42.55)	-30.53%	(305.44)
35	MP Power Transmission Package-II Limited	-0.01%	(1.47)	0.00%	(0.00)	0.05%	(0.15)	-0.02%	(0.15)
36	MPSEZ Utilities Limited (formerly known as MPSEZ Utilities private Limited)	0.51%	101.01	2.33%	30.34	-0.01%	0.03	3.04%	30.37
37	Karur Transmission Limited	0.00%	(0.04)	0.00%	(0.00)	0.01%	(0.03)	0.00%	(0.03)
38	Khavda-Bhuj Transmission Limited	0.00%	(0.11)	-0.01%	(0.07)	0.01%	(0.04)	-0.01%	(0.11)
39	ATL HVDC Limited	-0.05%	(9.75)	-0.63%	(8.17)	0.00%	-	-0.82%	(8.17)
40	Adani Electricity Jewar Limited	0.00%	0.01	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
41	Adani Transmission Step-Two Limited	0.00%	(0.05)	0.00%	(0.06)	0.00%	-	-0.01%	(0.06)
42	Adani Transmission Mahan Limited	0.00%	0.00	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
43	BEST Smart Metering Limited	0.00%	0.01	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
44	Adani Cooling Solutions Limited	0.00%	0.00	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
45	WRSR Power Transmission Limited	0.00%	(0.11)	-0.01%	(0.16)	0.00%	-	-0.02%	(0.16)
46	Adani Transmission Step-Three Limited	0.00%	0.01	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
47	Adani Transmission Step-Four Limited	0.00%	0.01	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
48	Adani Transmission Step-Five Limited	0.00%	0.01	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
49	Adani Transmission Step-Six Limited	0.00%	0.01	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
50	Adani Transmission Step-Seven Limited	0.00%	0.01	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
51	Adani Transmission Step-Eigth Limited	0.00%	0.01	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
52	Adani Transmission Step-Nine Limited (Now Known as "NE Smart Metering Limited")	0.00%	0.01	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
53	Adani Electricity Aurangabad Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
54	Adani Electricity Nashik Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
55	Khavda II-A Transmission Limited	0.00%	(0.07)	-0.01%	(0.12)	0.00%	-	-0.01%	(0.12)
56	Adani Green Energy Thirty Limited	0.00%	(0.33)	-0.03%	(0.33)	0.00%	-	-0.03%	(0.33)
	Total	**100%**	**19,889.34**	**100%**	**1,302.07**	**100%**	**(301.63)**	**100%**	**1,000.44**
	Less: Adjustment of Consolidation		**6,031.80**		**21.47**		**-**		**21.47**
	Less: Non Controlling Interest		**1,097.55**		**24.27**		**(18.56)**		**5.71**
	Consolidated Net Assets/Profit after tax		**12,759.99**		**1,256.33**		**(283.07)**		**973.26**

53 As per Ind AS 19 "Employee Benefits", the disclosures are given below.

(a) Defined Contribution Plan

(i) Provident fund
(ii) Superannuation fund
(iii) State defined contribution plans
-Employer's contribution to Employees' state insurance
-Employers' Contribution to Employees' Pension Scheme 1995
The Group has recognised the following amounts as expense in the financial statements for the year:

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Contribution to Provident Fund	42.36	47.54
Contribution to Employees Superannuation Fund	7.71	7.98
Contribution to Employees Pension Scheme	6.37	6.89
Total	**56.44**	**62.41**

(b) Defined Benefit Plan

The Group has a defined benefit gratuity plan (funded) and is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed at least five year of service is entitled to gratuity benefits on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India (LIC) in form of a qualifying insurance policy with effect from September 01, 2010 for future payment of gratuity to the employees.

Each year, the management reviews the level of funding in the gratuity fund. Such review includes the asset – liability matching strategy. The management decides its contribution based on the results of this review. The management aims to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

The Group operates a defined benefit plan (the Gratuity plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.
The status of gratuity plan as required under Ind AS-19: (₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
i. Reconciliation of Opening and Closing Balances of defined benefit obligation		
Present Value of Defined Benefit Obligations at the beginning of the Year	703.26	667.91
Current Service Cost	39.54	38.65
Interest Cost	48.95	45.83
Re-measurement (or Actuarial) (gain) / loss arising from:		
- Change in demographic assumptions	0.28	11.65
- Change in financials assumptions	(23.25)	22.35
- Experience variance (i.e. Actual experience vs assumptions)	(27.16)	(51.53)
Liabilities Extinguished on Settlement	(18.16)	-
Acquisition Adjustment/Other adjustment	-	0.42
Benefits paid	(43.00)	(30.63)
Net Actuarial loss / (gain) Recognised	-	
Liabilities Transfer In/Out	(3.15)	(1.39)
Present Value of Defined Benefit Obligations at the end of the Year	**677.31**	**703.26**
ii. Reconciliation of Opening and Closing Balances of the Fair value of Plan assets		
Fair Value of Plan assets at the beginning of the Year	490.67	487.19
Investment Income	34.24	33.45
Contributions	7.52	1.08
Assets Transferred Out/ Divestments	(6.55)	-
Benefits paid	(40.98)	(30.32)
Return on plan assets, excluding amount recognised in net interest expenses	(2.60)	(1.15)
Planned Asset Acquired on Business Acquisition	-	
Acquisition Adjustment/Other adjustment	-	0.42
Fair Value of Plan assets at the end of the Year	**482.30**	**490.67**
iii. Reconciliation of the Present value of defined benefit obligation and Fair value of plan assets		
Present Value of Defined Benefit Obligations at the end of the Year	677.31	703.26
Fair Value of Plan assets at the end of the Year	(482.30)	(490.67)
Net Asset / (Liability) recognized in balance sheet as at the end of the year	**(195.01)**	**(212.59)**
iv. Composition of Plan Assets		
100% of Plan Assets are administered by LIC	-	-
v. Gratuity Cost for the Year		
Current service cost	39.54	38.65
Interest cost	48.95	45.83
(Gains)/Losses on Curtailments And Settlements	(18.16)	
Expected return on plan assets	(34.25)	(33.45)
Amount Capitalised	(1.29)	(1.31)
Net Gratuity cost recognised in the statement of Profit and Loss	**34.79**	**49.72**
vi. Other Comprehensive Income		
Actuarial (gains) / losses		
Change in demographic assumptions	0.28	11.65
Change in financial assumptions	(23.25)	22.35
Experience variance (i.e. Actual experiences assumptions)	(27.16)	(51.53)
Return on plan assets, excluding amount recognised in net interest expense	2.60	1.15
Components of defined benefit costs recognised in other comprehensive income	**(47.53)**	**(16.37)**
vii. Actuarial Assumptions		
Discount Rate (per annum)	6.98% to 7.50%	6.90% to 6.98%
Annual Increase in Salary Cost (per annum)	8.50% to 10.25%	8.00% to 10.25%

xi. Asset – Liability Matching Strategies

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk.

However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

(c) Sensitivity analysis

The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

Sensitivity analysis	At 31st March'23		At 31st March'22	
Particulars	Decrease	Increase	Decrease	Increase
Discount rate	73.36	63.22	84.68	73.38
Salary Growth Rate	61.38	70.02	71.31	80.89
Attrition Rate	31.32	28.95	35.38	32.04
Mortality Rate	21.18	21.16	21.14	21.12

54 <u>Contract balances:</u>

(a) The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers.

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade receivables (Gross) (Refer note 13)	1,462.04	1,082.73
Unbilled Revenue for passage of time (Refer note 8 and 17)	2,586.26	1,887.89
Regulatory Assets other than Distribution	18.33	-
(Less): Allowance for Doubtful Debts (Refer note 13)	(24.45)	(11.89)
Trade receivables (Net)	4,042.18	2,958.73
Contract Assets	18.33	-
Contract liabilities (Refer note 31 and 32)	210.49	209.27

Contract assets

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract Assets are transferred to receivables when the rights become unconditional.

Contract liabilities

A Contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer, If the customer pays contribution before the Company transfers goods or services to the customers, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the performance of obligation is satisfied.

(b) Significant changes in contract assets and liabilities during the period:

(₹ in Crores)

Particulars		For the year ended 31st March, 2023	For the year ended 31st March, 2022
Opening Balance			
Recoverable from consumers		-	-
Liabilities towards consumers		2.94	6.53
	(A)	2.94	6.53
Income to be adjusted in future tariff determination in respect of earlier year		-	-
Income to be adjusted in future tariff determination (Net)		(21.27)	(3.59)
	(B)	(21.27)	(3.59)
Closing Balance			
Recoverable from consumers		18.33	-
Liabilities towards consumers		-	2.94
Contract assets reclassified to receivables	(A+B)	18.33	2.94

Reconciliation the amount of revenue recognised in the statement of profit and loss with the contracted price:

(₹ in Crores)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Revenue as per contracted price	12,526.59	10,404.85
<u>Adjustments</u>		
Discounts	83.54	42.22
Revenue from contract with customers	**12,443.05**	**10,362.63**

55 Regulatory Deferral Account

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Regulatory Deferral Account - Liability		
Regulatory Liabilities	-	271.56
Regulatory Deferral Account - Assets		
Regulatory Assets	1,963.83	1,124.02
Net Regulatory Assets/(Liabilities)	**1,963.83**	**852.46**

Rate Regulated Activities

1 As per the Ind AS-114 'Regulatory Deferral Accounts', the business of electricity distribution is a Rate Regulated activity wherein Maharashtra Electricity Regulatory Commission (MERC) & Gujarat Electricity Regulatory Commission (GERC), the regulator determines Tariff to be charged from consumers based on prevailing regulations in place.

2 MERC Multi Year Tariff Regulations, 2015 (MYT Regulations), is applicable for the period beginning from 1 April, 2016 to 31 March, 2020.
MERC Multi Year Tariff Regulations, 2019 (MYT Regulations), is applicable for the period beginning from 1 April, 2020 to 31 March, 2024. These regulations require MERC and GERC 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.

3 Reconciliation of Regulatory Assets/Liabilities of distribution business as per Rate Regulated Activities is as follows:

(₹ in Crores)

S.No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
A	**Opening Regulatory Assets (Net)**	852.46	167.89
	Add:		
B	Acquired on Business Combination(Net)	-	2.10
C	Additional during the year	772.83	682.47
D	Accrued in respect of earlier year consequent to receipt of tariff order	338.54	-
	Closing Balance (A+B+C+D)	**1,963.83**	**852.46**

56 (i) Impairment testing of intangible Assets

In accordance with the requirements of Ind AS 36 "Impairment of Assets", AEML as at 31 March, 2023 tested the Transmission Cash Generating Unit ("TCGU") which includes carrying value of Transmission License (₹ 981.62 crores) having indefinite useful life for impairment. The recoverable amount of the TCGU has been determined applying value in use approach. The value in use of the TCGU has been determined using Discounted Cash Flow Method (DCF).

In deriving the recoverable amount of the TCGU a discount rate (post tax) of 9.50 % (31 March 2022: 9.10%) per annum has been used. In arriving at the recoverable amount of the TCGU , financial projections have been developed for 6 years (31 March 2022: 6 years) and thereafter in perpetuity considering a terminal growth rate of 1% (31 March 2022: 1.5%) 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 2022 - ₹ Nil). Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the fair value of the Transmission License.

The key assumptions used in determining the recoverable amount of TCGU are as follows :

Discount Rate: 9.50 % (31 March 2022: 9.10 %) Post-Tax Discount rate has been derived based on current cost of borrowing and equity rate of return in line with the current market expectations.

Capital expenditure / Capitalisation: Capital expenditure and capitalisation for 6 years (31 March 2022: 6 years) is estimated based on management projections subject to regulatory approval and thereafter ₹ 500 crores per annum (31 March 2022: ₹ 500 crores per annum).

(ii) Goodwill

(₹ in Crores)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance at beginning of the year	598.29	592.88
Arising on account of Business combination (Refer Note 63B)	-	5.41
Balance at end of the year	**598.29**	**598.29**

Impairment testing of Goodwill

The group tests on a annual basis, goodwill arising on business combination amounting to ₹ 576.02 March, 2023 (₹ 576.02 crores for March 2022) which has been allocated to the respective Cash Generating Unit ("CGU")(ATIL, MEGPTCL and AEML) for impairment. Based on the annual impairment test no provision towards impairment was required necessary.

The recoverable amounts of the CGUs are determined from value-in-use calculations and the projections based on the period of the transmission and distribution licenses (including expected extensions).

The key assumptions for the value-in-use calculations are those regarding discount rates, growth rates, capital expenditure, and expected increase in direct costs . Management estimates discount rates using post-tax rates that reflect current market assessments of the time value of money. The growth rates are based on management's forecasts/ tariff regulations. Changes in direct costs are based on past practices and expectations of future changes in the market.

The Group prepares its forecasts based on the most recent financial budgets approved by management with projected revenue growth rates per respective tariff regulation wherein the revenue is determined considering the parameters/benchmarks laid down in the respective MERC/CERC tariff regulations.

The rates used to discount the forecasts is 9.55% to 10% p.a (Post Tax) (31 March, 2022 : 8.43% to 12.04% p.a (Post Tax))

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

57 Pursuant to an agreement between Adani Transmission Limited ("ATL") and its wholly owned subsidiaries, viz; Adani Transmission Step-One Limited ("ATSOL"), Adani Transmission (India) Limited ("ATIL"), and Maharashtra Eastern Grid Power Transmission company Limited ("MEGPTCL"), ATL has transferred/novated, as the case may be, its investments in equity shares of, and Inter Corporate Deposits placed with ATIL and MEGPTCL, USD denominated borrowings of Senior Secured Notes / Bonds (aggregating USD 937.50 million outstanding as at date of restructuring) along with corresponding hedge contracts, identified fixed assets, cash equivalent to restricted reserve and working capital loans to ATSOL after obtaining requisite approvals and consents. ATSOL has discharged the consideration towards acquisition of the said assets and liabilities by way of issuance of Compulsorily Convertible Debentures to ATL. The transaction being a common control transaction, does not affect the Consolidated Financial Statements of the Group.

58 a) During the year 2022-23, Maharashtra Electricity Regulatory Commission ("MERC") vide its order dated 31st March, 2023, has approved for (i) truing-up of the tariff for the period from the financial year 2019-20, 2020-21 & 2021-22, (ii) Provisional truing up of financial year 2022-23 and (iii) Aggregate Revenue Requirement (ARR) for FY 2023-24 and FY 2024-25 for Adani Transmission (India) Limited ("ATIL"), Maharashtra Eastern Grid Power Transmission Company Limited ("MEGPTCL") and Adani Electricity Mumbai Limited ("AEML"). Accordingly, based on the MERC order, during the quarter and year ended 31st March,2023, Group has recognized revenue of ₹ 397.88 Crores and ₹ 656.22 Crores respectively for the period from April, 2019 to March, 2023. Under the circumstances, the figures for the current year are not comparable with the corresponding figures of the previous year, to that extent.

b) During the previous year Maharashtra Eastern Grid Power Transmission Company Limited ("MEGPTCL"), had received MERC order vide dated 03rd June, 2021 and has given impact to the Hon'ble APTEL Judgment in the matter of Appeal No. 260 of 2016 dated 24th July, 2020, revised the Annual Revenue Requirement (ARR) of MEGPTCL retrospectively effective from 1st April, 2013 and directed MEGPTCL to claim the incremental ARR (including the related carrying cost) during the Mid Term Review (MTR) in FY 2023-24. Consequent to the above MERC order, during the year ended 31st March, 2023, MEGPTCL has recognized additional revenue from operations of ₹ 31.01 Crores (PY ₹ 303.72 Crores) for the period April, 2014 to March, 2022 and recognized ₹ 102.04 Crores (PY: ₹ 91.93 Crores) for the year ended on 31st March, 2023. Under the circumstances, the figures for the current year are not comparable with the corresponding figures of the previous year, to that extent.

c) Central Electricity Regulatory Commission ("CERC") vide it's order dated 21st January, 2022, has partly disallowed certain expenses (interest and depreciation) in relation to truing up tariff petition for the control period 2015-19 and tariff determination petition for the control period 2020-24 filed by Adani Transmission (India) Limited ("ATIL"), a wholly owned subsidiary of the Company. The Management has, basis an external legal opinion, assessed that it has reasonably good case on merits in the light of the prevailing Tariff Regulations, settled principles of law as per earlier judicial precedence and, is in the process of preferring an appeal in Appellate Tribunal for Electricity against such CERC order. Having regard to the above, the disallowances aggregating to ₹ 108.11 Crores up to 31st March, 2023 (P.Y. ₹ 62.79 Crores) are not reckoned with in the aforementioned results.

59 During the quarter ended 31st March 2023, a short seller report was published in which certain allegations were made involving Adani Group Companies, including Adani Transmission Limited ("ATL") and its subsidiaries. A writ petition was filed in the matter with the Hon'ble Supreme Court ("SC"), and during hearing the Securities and Exchange Board of India ("SEBI") has represented to the SC that it is investigating the allegations made in the short seller report for any violations of the various SEBI Regulations. The SC had constituted an expert committee for assessment of the extant of regulatory framework and volatility assessment on Adani stocks, as also to investigate whether there have been contraventions and regulatory failures on minimum shareholding and related party transactions pertaining to Adani group. The expert committee, post the reporting date, issued its report on the given remit, wherein no regulatory failures are observed, while SEBI continues its investigations.

Separately, to uphold the principles of good governance, Adani Group has undertaken review of transactions (including those for the Company and its subsidiaries) with parties referred in the short seller's report including relationships amongst other matters and obtained opinions from independent law firms. These opinions confirm that the Company and its subsidiaries are in compliance with the requirements of applicable laws and regulations. Considering the matter is subjudice at Supreme Court, no additional action is considered prolific and pending outcome of the investigations as mentioned above, the Consolidated financial results do not carry any adjustments.

60 The Company has signed definitive agreements with Essar Power Limited ('EPL') for acquiring 673 Ckt. kms operational inter-state transmission project owned and operated by Essar Power Transmission Company Limited (EPTCL), a subsidiary of EPL. The Enterprise value for the transaction is ₹ 1,913.00 Crores. Pursuant to the agreement, the Company has given an interest bearing loan of ₹ 469.17 Crores to EPL of which loan of ₹ 400.00 Crores is secured by way of Hypothecation over sale Securities. (i.e. shares) of EPL. As EPTCL has one license combining stage I and II assets, EPTCL has filed the petition with CERC for bifurcation of the Transmission License between stage I and stage II assets. The transaction is expected to be completed by December 2023 post the approval of Central Electricity Regulatory Commission ("CERC") and National Company Law Tribunal ("NCLT") for bifurcation of the license.

61 Maharashtra Electricity Regulatory Commission (MERC) in its order dated 26th December, 2022, subject to certain conditions and based on certain valuation principles laid down by it, has approved the transfer of certain assets to AEML SEEPZ Limited (ASL). Based on the principles laid down by MERC, ASL has filed the Petition for approval of tariff before MERC, wherein ASL had proposed to operationalize its business from 01 April, 2023. ASL has also filed the Petition for approval of switchover/ changeover protocol (for shifting of consumers from other Distribution Licensees to ASL and vice versa in SEEPZ area- Case No. 21 of 2023) before MERC. Both the Petitions are pending before MERC and accordingly, assets amounting to Rs. 41.72 crores (WDV Rs. 33.23 crores) as on 31 March 2023 are held for transfer and will be transferred upon operationalization of ASL.

62 Non Controlling Interests (NCI)

Summary of financial information for a subsidiary (AEML) that has non-controlling interests that are material to the Group. The amounts disclosed for a subsidiary are before inter-company eliminations.

(₹ in Crores)

Summarised Balance Sheet	**31st March, 2023**	**31st March, 2022**
Total Non-Current Assets	18,298.18	17,689.77
Total Current Assets	2,789.99	2,206.70
Regulatory Deferral Account - Assets	1,961.73	1,121.92
Total Assets	**23,049.90**	**21,018.39**
Non-Current Liabilities	14,207.31	13,094.76
Current Liabilities	3,744.86	2,852.62
Regulatory Deferral Account - Liabilities	-	271.56
Total Liabilities	**17,952.17**	**16,218.94**
Accumulated NCI	**1,279.53**	**1,204.66**

(₹ in Crores)

Summarised statement of Profit and Loss	**31st March, 2023**	**31st March, 2022**
Profit /(Loss) for the year	94.80	122.15
Other Comprehensive Income / (Loss) for the year	(73.98)	(137.77)
Total Comprehensive Income /(Loss) for the year	20.82	(15.62)
Profit/(Loss) Allocated to NCI	**23.79**	**30.66**
Total Comprehensive Income /(Loss) allocated to NCI	**5.23**	**(3.92)**

(₹ in Crores)

Summarised Cash Flow allocated	**31st March, 2023**	**31st March, 2022**
Net cash from operating activities for the year	1,184.07	1,472.01
Net cash (used in) investing activities for the year	(1,056.52)	(833.27)
Net cash (used in) financing activities for the year	(124.95)	(701.06)
Net increase / (decrease) in cash and cash equivalents	**2.60**	**(62.32)**

63 (A) During the year, Adani Transmission Limited (the Parent Company)

i) Signed a Share Purchase Agreement (SPA) and completed the acquisition of the SPV, WRSR Power Transmission Limited ("WRSR"), incorporated by REC Power Development and Consultancy Limited. WRSR will establish Transmission System for "ISTS Network Expansion scheme in Western Region & Southern Region for export of surplus power during high RE scenario in Southern Region.

ii) Signed a Share Purchase Agreement (SPA) and completed the acquisition of the SPV, Khavda II-A Transmission Limited ("KTL"), incorporated by REC Power Development and Consultancy Limited. KTL will build, own, operate and transfer transmission line for evacuation of 4.5GW RE injection at Khavda PS under Phase II- Part A approximately 380 ckt kms of transmission line connecting Khavda pooling station 2 to Lakadia S/s with bay extension at both end.

iii) Khavda-Bhuj Transmission Limited, a Wholly Owned Subsidiary of Adani Transmission Limited Signed a Share Purchase Agreement (SPA) and completed the acquisition of the SPV, Adani Green Energy Thirty Limited ("AGE30L").

The management concluded that the above acquisitions do not meet the definition of 'Business' under Ind AS 103, accordingly, the above acquisitions are accounted for as acquisition of assets.

Summary of assets acquired and liabilities assumed as part of Assets acquisition when compared to the consideration paid is as below :

Net amount of Assets and Liabilities **(₹ in Crores)**

Particulars	**WRSR Power Transmission Limited**	**Khavda II-A Transmission Limited**	**Adani Green Energy Thirty Limited**
Date of Acquisition	**17th January, 2023**	**28th March, 2023**	**31st March, 2023**
Assets			
Non-current assets			
Capital Work-In-Progress	18.26	18.42	48.48
	18.26	**18.42**	**48.48**
Current assets			
Cash and cash equivalents	0.05	0.02	0.02
	0.05	**0.02**	**0.02**
Total Assets (i)	**18.31**	**18.44**	**48.50**
Total Liabilities(ii)	**0.01**	**-**	**48.49**
Net Assets (i-ii)	**18.30**	**18.44**	**0.01**

Consideration Transferred : **(₹ in Crores)**

Particulars	**WRSR Power Transmission Limited**	**Khavda II-A Transmission Limited**	**Adani Green Energy Thirty Limited**
Consideration Paid	18.30	18.44	0.01

(B) During the Financial year 2021-22, the Company completed the acquisition of 100% stake in MPSEZ Utilities Limited (MUL). The said transaction was then accounted based on provisional fair values of the assets, liabilities and contingent liabilities of MUL in accordance with the Ind AS 103 Business Combination. During the current financial year, the Company has determined the final fair values of such assets, liabilities and contingent liabilities based on registered valuers reports. There has been no change between the provisional fair values and the final fair values. Consequently, there is no change in the value of the resultant goodwill attributable to this acquisition.

64 Ultimate Beneficiary Note :

(i) Following are the details of Funds Loaned by the Adani Transmission Limited to Intermediaries for further Loan or Investment to the Ultimate Beneficiaries.

(₹ in Crores)

Name of Intermediary to which funds are advanced	Date on which funds are Loaned to Intermediary	Amount of funds Loaned	Date on which funds are further Loaned or invested by Intermediaries to other intermediaries or Ultimate Beneficiaries	Amount of fund further loaned or invested by such Intermediaries to other intermediaries or Ultimate Beneficiaries	Ultimate Beneficiary
Sunrays Infra Space Limited (Formerly known	12-05-2022	191.60	12-05-2022	186.13	Adani Properties Private Limited
	31-05-2022	80.00	31-05-2022	80.00	

(ii) Following are the details of Funds received by the Sunrays Infra Space Limited (subsidairy of the Company) for futher loan or Investment to the Ultimate Beneficiaries.

(₹ in Crores)

Name of Company from Which funds are received	Date on which funds are received from the Company	Amount of funds Received	Date on which funds are further Loaned or invested to Other Intermediaries or Ultimate Beneficiaries	Amount of fund further loaned or invested to Other Intermediaries or Ultimate Beneficiaries	Ultimate Beneficiary
Adani Properties Private Limited	27-02-2023	30.38	27-02-2023	22.07	Adani Transmission Limited
	28-02-2023	65.00	28-02-2023	65.50	
	06-03-2023	20.00	06-03-2023	20.00	
	16-03-2023	480.00	16-03-2023	431.00	
			17-03-2023	49.00	
	31-03-2023	40.00	31-03-2023	40.00	

Complete details of the intermediary and Ultimate Beneficiary

Name of the Entity	Registered Address	Relationship With the Company
Sunrays Infra Space Limited (Formerly known as Sunrays Infra Space Private Limited)	Adani Corporate House, Shantigram, Nr. Vaishno Devi Circle, S.G. Highway, Khodiyar Ahmedabad, Gujarat - 382421	Wholly Owned Subsidiary
Adani Properties Private Limited	Adani Corporate House, Shantigram, Nr. Vaishno Devi Circle, S.G. Highway, Khodiyar Ahmedabad, Gujarat - 382421	Entity Under Common Control

65 Other Disclosures

(i) Previous year figures are regrouped / reclassified wherever necessary to correspond with the current years classification / disclosure.

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

66 Subsequent Event

The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of consolidated financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the consolidated financial statements. As of 29th May, 2023, there are no subsequent events to be recognized or reported that are not already disclosed.

Consequent to year end, the Company at its board meeting held on 13th May, 2023 has approved raising of funds by way of issuance of equity shares and / or other eligible securities for aggregate amount not exceeding ₹ 8,500.00 Crores by way of Qualified Institutional Placement ("QIP"). The company is in process of obtaining shareholder approval.

67 The Consolidated Financial Statements for the year ended 31st March, 2023 have been approved by the Audit Committee and approved by the Board of Directors at their meetings held on 29th May, 2023.

For and on behalf of the Board of Directors
ADANI TRANSMISSION LIMITED

GAUTAM S. ADANI
Chairman
DIN: 00006273

ANIL SARDANA
Managing Director
DIN: 00006867

BIMAL DAYAL
CEO - Transmission

KANDARP PATEL
CEO - Distribution

ROHIT SONI
Chief Financial Officer

JALADHI SHUKLA
Company Secretary

Place : Ahmedabad
Date : 29th May, 2023

INDEPENDENT AUDITOR'S REPORT
To The Members of Adani Transmission Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Adani Transmission Limited** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No	Key Audit Matter Description	Auditor's Response
1	**Hedge accounting and the related disclosures for currency derivatives:** (Refer to Note 49 to the Consolidated Financial Statements) As explained in Note 2(i) of the consolidated financial statements, the Company has foreign currency exposures from foreign currency denominated borrowings. The Company has hedged its foreign currency exposure through various currency derivative contracts which are recorded at fair value and has applied hedge accounting. Due to the changes in risks and estimates during the lifecycle of these derivative contracts, we identified the hedge accounting for currency derivatives and the adequacy of the related disclosures as a key audit matter because of the degree of subjectivity/management judgment required to determine hedges effectiveness and requires management to maintain hedge documentation. These transactions may have a significant financial effect.	**Principal audit procedures performed:** • We obtained an understanding of and tested the design and implementation and operating effectiveness of the management's controls over the determination of a hedge, adequacy of hedge documentation, evaluation of the hedge effectiveness, fair valuation of currency derivatives and hedge accounting. • For a sample of the derivative contracts : i. Inspected the hedge documentations for such derivative contracts and evaluated the management's assessment of hedge effectiveness. ii. Tested the existence of the derivative contracts outstanding as at March 31, 2022 by obtaining confirmations directly from contract counterparties for the currency derivatives. iii. Reperformed the fair valuations with the involvement of our internal fair valuation specialists, to evaluate the reasonability of fair values of the currency derivatives and the hedge effectiveness thereof has been appropriately determined by the management; • Assessed the adequacy of the disclosures in respect of the currency derivatives and hedge accounting in accordance with the disclosure requirements of Ind AS 107- Financial Instruments: Disclosures, Ind AS 113- Fair Value Measurement.
2	**Impairment of Transmission License having indefinite life:** (Refer to Note 58 to the Consolidated Financial Statements) As per the requirements of Ind AS 36, the Group is required to test Intangible assets with indefinite life, being Transmission License, for impairment on an annual basis. Accordingly, the Group has carried out a detailed evaluation of the recoverable value of transmission license and has concluded that the carrying value of the transmission license is good and recoverable.	**Principal audit procedures performed:** • We evaluated the design, implementation and tested the operating effectiveness of controls over impairment assessment process which *inter alia* included the management's evaluation of the reasonableness of estimates including those over the forecasts of future revenues, future capital expenditure and selection of discount rates. • We obtained management's impairment assessment and performed the following substantive procedures:

	Since, the evaluation of recoverable values involves multitude of factors and assumptions involved in determining the forecasted revenues/cash flows and discount rate in the projection period, we have identified the impairment evaluation of transmission license as a key audit matter.	i. Evaluated the reasonableness of key assumption including revenue, future capital expenditure terminal values and selection of discount rates. ii. Evaluated the appropriateness of other key assumptions considered, in developing the projections by considering the historical accuracy of the Company's estimates in the prior periods. iii. With the assistance of our internal fair value specialists we to evaluated the appropriateness of the valuation methodology and the reasonability of the discount rate, by developing a range of independent estimates and comparing those to the discount rate selected by management. iv. Performed a sensitivity analysis to determine the effect of variation in the cash flow estimates
3	**Accrual of Regulatory Deferrals:** (Refer to Note 57 to the Consolidated Financial Statements) In the respect of Mumbai Distribution business, of the Group, the tariff is determined by Maharashtra Electricity Regulatory Commission (MERC) on cost plus return on equity basis wherein the cost is subject to certain laid down benchmarks/ norms. The Group invoices its customers on the basis of pre-approved tariff which is based on provisional tariff orders and is subject to final true up exercise to be adjusted in the future tariff. The Group recognizes revenue on the basis of tariff invoiced to consumers. As the Group is entitled to a fixed return on equity, the Group recognizes regulatory deferral for the shortage / excess compared to the entitled return on equity. Based on its assessment, the Group has recognized net regulatory deferral liability of Rs 852.46 crores as at March 31, 2022(including Rs 682.47 crores for the year), The regulatory deferrals are determined based on tariff regulations, tariff orders, judicial pronouncements etc. and are subject to verification and approval by the regulators. Further the costs incurred are subject to laid down norms/benchmarks. Significant judgements and estimates are made in determining the regulatory deferrals including interpretation of tariff regulations, and accordingly we have classified the determination of such regulatory deferrals as a key audit matter.	**Principal audit procedures performed:** • We evaluated the design and implementation and tested operating effectiveness of the management's controls over accrual of regulatory deferrals. • For the regulatory deferral determined by the Company, we have: i. Examined the workings of the regulatory deferral with the balance as per the books of account to confirm the appropriate determination of return on equity. ii. Evaluated the reasonability of key estimates used by the Group in determining regulatory deferrals by comparing it with tariff regulations, prior years orders and past precedents

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.

- If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor’s Responsibility for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the 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 entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of 33 subsidiaries, whose financial statements reflect total assets of Rs.16,739.16 crores as at March 31, 2022, total revenues of Rs.1,676.19 crores and net cash inflows amounting to Rs.4.81 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

We did not audit the financial statements of 1 subsidiary, whose financial statements reflect total assets of Rs.15.16 crores as at 31st March, 2022, total revenues of Nil and net cash inflows amounting to Rs.0.02 crores 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 matter with respect to our reliance on the work done and the reports of the other auditors and 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 reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on March 31, 2022 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India , none of the directors of the Group companies is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary companies incorporated in India , the remuneration paid by the Parent and such subsidiary companies to their respective directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group ;

(ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent Company, and its subsidiary companies incorporated in India.

(iv)

a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, as disclosed in the note 63(iii)to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The respective Managements of the Parent and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, as disclosed in the note 63(iv) to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

(v) The Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have not declared or paid any dividend during the year and have not proposed final dividend for the year.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said respective companies included in the consolidated financial statements.

In respect of the following companies included in the Consolidated Financial Statements, whose audits under section 143 of the Act has not yet been completed, the CARO Report as applicable in respect of those entities are not available and consequently have not been provided to us on the date of this audit report:

Name of the Component	CIN	Nature of Relationship
Khavda-Bhuj Transmission Limited	U40108DL2021GOI381217	Wholly Owned Subsidiary

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Hardik Sutaria
(Partner)
(Membership No. 116642)
(UDIN: 22116642AILRVK6305)

Place: Ahmedabad
Date: May 05, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Adani Transmission Limited (hereinafter referred to as "the Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, 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 33 subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.
Our opinion is not modified in respect of the above matter.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm‘s Registration No.117366W/W-100018)

Hardik Sutaria
(Partner)
(Membership No. 116642)
(UDIN: 22116642AILRVK6305)

Place: Ahmedabad
Date: May 05, 2022

(₹ in Crores)

Particulars	Notes	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
Non-current Assets			
Property, Plant and Equipment	5.1	27,905.02	25,166.26
Capital Work-In-Progress	5.2	5,060.16	5,239.73
Right of Use Assets	5.4	673.00	218.15
Goodwill		598.29	592.88
Other Intangible Assets	5.1	1,095.46	1,009.31
Intangible Assets Under Development	5.3	-	15.41
Financial Assets			
(i) Investments	6	264.17	267.24
(ii) Loans	7	1,128.54	1,073.82
(iii) Other Financial Asset	8	3,531.04	2,910.63
Income Tax Assets (Net)	9	88.87	63.07
Other Non-current Assets	10	1,476.94	1,677.64
Total Non-current Assets		**41,821.49**	**38,234.14**
Current Assets			
Inventories	11	250.11	233.71
Financial Assets			
(i) Investments	12	296.35	174.79
(ii) Trade Receivables	13	1,070.84	1,013.54
(iii) Cash and Cash Equivalents	14	189.05	263.68
(iv) Bank Balances other than (iii) above	15	1,303.52	1,026.23
(v) Loans	16	7.81	24.43
(vi) Other Financial Assets	17	1,066.73	1,394.59
Other Current Assets	18	334.19	429.02
Total Current Assets		**4,518.60**	**4,559.99**
Total Assets before Regulatory Deferral Account		**46,340.09**	**42,794.13**
Regulatory Deferral Account - Asset	57	1,124.02	439.45
Total Assets		**47,464.11**	**43,233.58**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	19	1,099.81	1,099.81
Unsecured Perpetual Equity Instrument	20	3,055.65	2,829.70
Other Equity	21	5,757.36	4,989.77
Total Equity attributable to Equity Owners of the Company		**9,912.82**	**8,919.28**
Non-Controlling Interest		1,093.68	1,103.58
Total Equity		**11,006.50**	**10,022.86**
Liabilities			
Non-current Liabilities			
Financial Liabilities			
(i) Borrowings	22	27,774.04	23,808.81
(ia) Lease Liability Obligation	23	66.12	88.91
(ii) Trade Payables	24		
(A) total outstanding dues of micro enterprises and small enterprises;		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		32.22	31.93
(iii) Other Financial Liabilities	25	334.81	538.68
Other Non-Current Liabilities	26	290.25	282.89
Provisions	27	617.47	584.52
Deferred Tax Liabilities (Net)	28	1,414.46	1,186.35
Total Non-current Liabilities		**30,529.37**	**26,522.09**
Current Liabilities			
Financial Liabilities			
(i) Borrowings	29	2,040.54	3,152.17
(ia) Lease Liability Obligation	23	21.09	45.07
(ii) Trade Payables	30		
(A) total outstanding dues of micro enterprises and small enterprises;		26.37	29.69
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		1,581.54	1,211.32
(iii) Other Financial Liabilities	31	1,556.29	1,619.20
Other Current Liabilities	32	347.60	291.29
Provisions	27	70.91	61.85
Current Tax Liabilities (Net)	33	12.34	6.48
Total Current Liabilities		**5,656.68**	**6,417.07**
Total Liabilities before Regulatory Deferral Account		**36,186.05**	**32,939.16**
Regulatory Deferral Account-Liabilities	57	271.56	271.56
Total Equity and Liabilities		**47,464.11**	**43,233.58**
Summary of significant accounting policies	2		

See accompanying notes forming part of the consolidated financial statements

As per our attached report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors
ADANI TRANSMISSION LIMITED

HARDIK SUTARIA
Partner

GAUTAM S. ADANI
Chairman
DIN: 00006273

RAJESH S. ADANI
Director
DIN: 00006322

ANIL SARDANA
Managing Director and Chief Executive Officer
DIN: 00006867

ROHIT SONI
Chief Financial Officer

JALADHI SHUKLA
Company Secretary

Date : 05th May, 2022

Date : 05th May, 2022

(₹ in Crores)

Particulars	Notes	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Income			
Revenue from Operations			
(i) From Generation, Transmission and Distribution Business	34	10,435.61	9,169.70
(ii) From Trading Business	35	821.91	756.63
Other Income	36	603.95	532.60
Total Income		**11,861.47**	**10,458.93**
Expenses			
Cost of Power Purchased		2,778.88	1,914.51
Cost of Fuel		1,065.99	972.56
Purchases of Stock-in-Trade	37	821.23	755.89
Employee Benefits Expense	38	885.07	930.76
Finance Costs	39	2,364.95	2,116.99
Depreciation and Amortisation Expenses	5.4	1,427.15	1,328.88
Other Expenses	40	1,500.18	1,402.25
Total Expenses		**10,843.45**	**9,421.84**
Profit Before Rate Regulated Activities, Tax and Deferred Assets recoverable/adjustable for the year		**1,018.02**	**1,037.09**
Net movement in Regulatory Deferral Account Balances - Income/(Expenses)		682.47	582.81
Profit Before Tax and Deferred Assets recoverable/adjustable for the year		**1,700.49**	**1,619.90**
Tax Expense:	41		
Current Tax		244.23	187.01
Deferred Tax		191.83	237.22
Total Tax expenses		**436.06**	**424.23**
Profit After Tax for the year but before Deferred Assets recoverable/adjustable		**1,264.43**	**1,195.67**
Deferred assets recoverable/adjustable		(28.68)	93.90
Profit After Tax for the year		**1,235.75**	**1,289.57**
Other Comprehensive Income/(Loss)			
(a) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans / (Loss)		16.37	34.24
- Tax relating to items that will not be reclassified to Profit or Loss		(2.89)	(6.03)
(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		(262.79)	(192.32)
- Tax relating to items that will be reclassified to Profit or Loss		(2.44)	17.71
Total Other Comprehensive Income/ (Loss) for the year (Net of Tax)		**(251.75)**	**(146.40)**
Total Comprehensive Income for the year		**984.00**	**1,143.17**
Profit/ (Loss) for the year attributable to:			
Owners of the Company		1,204.61	1,224.04
Non-controlling interests		31.14	65.53
		1,235.75	**1,289.57**
Other Comprehensive Income / (Loss) for the year attributable to:			
Owners of the Company		(217.19)	(128.03)
Non-controlling interests		(34.56)	(18.37)
		(251.75)	**(146.40)**
Total Comprehensive Income/ (Loss) for the year attributable to:			
Owners of the Company		987.42	1,096.01
Non-controlling interests		(3.42)	47.16
		984.00	**1,143.17**
Earnings Per Share (EPS) (in ₹)	42		
(Face Value ₹ 10 Per Share)			
Basic / Diluted Earnings per Equity Share (Face Value of ₹ 10 each) after Net movement in Regulatory Deferral Account Balances (₹)		8.90	9.02
Basic / Diluted Earnings per Equity Share (Face Value of ₹ 10 each) before Net movement in Regulatory Deferral Account Balances (₹)		5.06	5.75

See accompanying notes forming part of the consolidated financial statements

As per our attached report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors
ADANI TRANSMISSION LIMITED

HARDIK SUTARIA
Partner

GAUTAM S. ADANI
Chairman
DIN: 00006273

RAJESH S. ADANI
Director
DIN: 00006322

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

ROHIT SONI
Chief Financial Officer

JALADHI SHUKLA
Company Secretary

Date : 05th May, 2022

Date : 05th May, 2022

Statement of Consolidated Cash flows for the year ended 31st March, 2022

(₹ in Crores)

	Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
A.	**Cash flows from operating activities**		
	Profit before tax	1,700.49	1,619.90
	Adjustments for:		
	Depreciation and Amortisation Expenses	1,427.15	1,328.88
	Amortisation of Consumer Contribution	(11.05)	(9.22)
	Gain on Sale/Fair Value of Current Investments measured at FVTPL	(10.12)	(46.00)
	Finance Costs	2,364.95	2,116.99
	Interest Income	(508.99)	(466.95)
	Unclaimed liabilities / Excess provision written back	(0.80)	(2.11)
	Bad Debt Written Off	18.31	27.14
	Sundry creditors written back	(57.41)	-
	Loss on sale/discard of Property, Plant and Equipment	4.12	-
	Foreign Exchange Fluctuation Loss	1.00	-
	Operating profit before working capital changes	**4,927.65**	**4,568.63**
	Changes in Working Capital:		
	(Increase) / Decrease in Operating Assets :		
	Employee Loans, Other Financial Assets and Other Assets	(331.67)	(298.27)
	Inventories	(15.85)	312.86
	Trade Receivables	(105.44)	(39.16)
	Regulatory Deferral Account - Assets	(682.47)	(191.72)
	Increase / (Decrease) in Operating Liabilities :		
	Trade Payables	433.45	(402.30)
	Regulatory Deferral Account - Liabilities	-	(232.77)
	Other Financial Liabilities, Other Liabilities and Provisions	137.80	319.59
	Cash generated from operations	**4,363.47**	**4,036.86**
	Taxes paid (Net)	(266.86)	(252.53)
	Net cash generated from operating activities (A)	**4,096.61**	**3,784.33**
B.	**Cash flows from investing activities**		
	Purchase of Property, Plant and Equipment (including Capital Work-in-progress, other intangible assets, capital advances and capital creditors)	(4,190.86)	(3,952.32)
	Acquisition of Subsidiaries	(143.48)	(563.24)
	Proceeds/(Purchase) of Investments (Contingency Reserve)	(32.70)	(267.24)
	Proceeds/(Purchase) of current investment (net)	(89.45)	171.45
	(Deposits in) Bank deposits (net) (Including Margin money deposit)	48.64	(1,260.09)
	Advances Given	(607.22)	-
	Advances Received back	607.22	-
	Loans Given	(763.12)	(1,472.26)
	Loans received back	725.05	2,817.11
	Interest Received	497.89	501.30
	Net cash used in investing activities (B)	**(3,948.03)**	**(4,025.29)**
C.	**Cash flows from financing activities**		
	Payment of lease liabilities (including Interest ₹ 11.20 crores (P.Y. ₹ 12.07 crores))	(31.26)	(35.19)
	Increase in Service Line Contribution	25.80	14.09
	Proceeds from Long-term borrowings	8,211.61	2,536.62
	Repayment of Long-term borrowings	(5,564.49)	(1,333.09)
	Proceeds/repayment from Short-term borrowings (Net)	(511.05)	730.93
	Distribution on Unsecured Perpetual Equity Instrument	(0.34)	(1.39)
	Repayment of Unsecured Perpetual Equity Instrument	-	(680.00)
	Finance Cost paid	(2,365.13)	(1,976.62)
	Net cash used in financing activities (C)	**(234.86)**	**(744.65)**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(86.28)**	**(985.61)**
	Cash and cash equivalents at the beginning of the year	**263.68**	**1,232.99**
	Cash and cash equivalents acquired on acquisition of subsidiaries	11.65	16.30
	Cash and cash equivalents at the end of the year	**189.05**	**263.68**

Cash and Cash Equivalents includes (Refer note 14)	As at 31st March, 2022	As at 31st March, 2021
Balances with banks		
In current accounts	165.85	175.71
Fixed Deposits (with original maturity for three months or less)	13.28	60.60
Cheque / Draft on Hand	9.12	24.97
Cash on Hand	0.80	2.40
Total Cash and Cash Equivalents	**189.05**	**263.68**

Notes to Statement of Consolidated Cash Flows:

1 The Statement of Consolidated Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 "Statement of Cash Flows"

2 Disclosure under Para 44A as set out in Ind AS 7 on Statement of Cash Flows under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is given below:

Particulars	1st April, 2021	Cash Flows (net)	Unrealised Foreign Exchange Gain/(Loss)	Other	31st March, 2022
Long-term Borrowings (Including Current Maturities of Long Term Debt)#	24,994.51	2,647.12	764.49	(46.96)	**28,359.16**
Short term Borrowings	1,966.47	(511.05)	-	-	**1,455.42**
Unsecured perpetual Equity Instrument including Distribution (Net of Tax)*	2,829.71	(0.34)	-	226.28	**3,055.65**
TOTAL	**29,790.69**	**2,135.73**	**764.49**	**179.32**	**32,870.23**

Particulars	1st April, 2020	Cash Flows (net)	Unrealised Foreign Exchange Gain/(Loss)	Other	31st March, 2021
Long-term Borrowings (Including Current Maturities of Long Term Debt)#	23,009.92	1,203.53	(709.46)	1,490.52	**24,994.51**
Short term Borrowings	1,235.81	730.93	-	(0.27)	**1,966.47**
Unsecured perpetual Equity Instrument including Distribution (Net of Tax)*	3,279.42	(681.39)	-	231.68	**2,829.71**
TOTAL	**27,525.15**	**1,253.07**	**(709.46)**	**1,721.94**	**29,790.69**

* Other Includes Distribution on perpetual Equity Instrument

Other Includes Balances taken over on acquisition of Subsidiaries and amortised cost of borrowings

See accompanying notes forming part of the consolidated financial statements

As per our attached report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

HARDIK SUTARIA
Partner

Date : 05th May, 2022

For and on behalf of the Board of Directors
ADANI TRANSMISSION LIMITED

GAUTAM S. ADANI
Chairman
DIN: 00006273

RAJESH S. ADANI
Director
DIN: 00006322

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

ROHIT SONI
Chief Financial Officer

JALADHI SHUKLA
Company Secretary

Date : 05th May, 2022

Consolidated Statement of changes in equity for the year ended 31st March, 2022

A. Equity Share Capital

Particulars	No. of Shares	(₹ in Crores)
Balance as at 1st April, 2020	1,09,98,10,083	1,099.81
Issue of shares during the year	-	-
Balance as at 31st March, 2021	1,09,98,10,083	1,099.81
Issue of shares during the year	-	-
Balance as at 31st March, 2022	1,09,98,10,083	1,099.81

B. Unsecured Perpetual Equity Instrument

Particulars	(₹ in Crores)
Balance as at 1st April, 2020	3,279.42
i) Add: Availed during the year	-
ii) Add: Distribution on Unsecured Perpetual Equity Instrument (Net of Tax)	230.28
iii) Less: Repaid during the year	(680.00)
Balance as at 31st March, 2021	**2,829.70**
i) Add: Availed during the year	-
ii) Add: Distribution on Unsecured Perpetual Equity Instrument (Net of Tax)	225.95
iii) Less: Repaid during the year	-
Balance as at 31st March, 2022	**3,055.65**

C. Other Equity

(₹ in Crores)

Particulars	Attributable to owners of the Company									Non - controlling interest	Total Equity
	Reserves and Surplus							Item of other comprehensive income	Total Attributable to owners of the Company		
	Capital Reserve	General Reserve	Retained Earnings	Capital Redemption Reserve	Debenture Redemption Reserve	Self Insurance Reserve	Contingency Reserve	Effective portion of cashflow Hedge			
Balance as at 1st April, 2020	208.87	1,220.60	577.81	1,891.88	13.44	-	240.54	(33.41)	4,119.73	1,062.13	5,181.86
Profit for the year	-	-	1,224.04	-	-	-	-	-	1,224.04	65.53	1,289.57
Add/(Less): Other comprehensive income for the year (Net of Tax)	-	-	21.31	-	-	-	-	(149.34)	(128.03)	(18.37)	(146.40)
(Less): Distribution on Unsecured perpetual Equity Instrument	-	-	(231.68)	-	-	-	-	-	(231.68)	-	(231.68)
Add: Transfer from Retained Earning on redemption of Optionally Convertible Redeemable Preference Shares	-	-	(544.65)	544.65	-	-	-	-	-	-	-
Add/ (Less): Transfer from Retained Earning to Contingency Reserve	-	-	(38.66)	-	-	-	44.37	-	5.71	(5.71)	-
Add /(Less): Appropriation to Self Insurance Reserve	-	(12.65)	-	-	-	12.65	-	-	-	-	-
Add / (Less): Transfer from Retained Earning to Debenture Redemption Reserve	-	-	1.16	-	(1.16)	-	-	-	-	-	-
Balance as at 31st March, 2021	**208.87**	**1,207.95**	**1,009.33**	**2,436.53**	**12.28**	**12.65**	**284.91**	**(182.75)**	**4,989.77**	**1,103.58**	**6,093.35**
Profit/(Loss) for the year	-	-	1,204.61	-	-	-	-	-	1,204.61	31.14	1,235.75
Add/(Less): Other comprehensive income for the year (Net of Tax)	-	-	9.92	-	-	-	-	(227.11)	(217.19)	(34.56)	(251.75)
(Less): Distribution on Unsecured perpetual Equity Instrument	-	-	(226.30)	-	-	-	-	-	(226.30)	-	(226.30)
Add/ (Less): Transfer from Retained Earning to Contingency Reserve	-	-	(43.51)	-	-	-	49.98	-	6.47	(6.47)	-
Add /(Less): Appropriation to Self Insurance Reserve	-	(6.00)	-	-	-	6.00	-	-	-	-	-
Add/(Less): Transfer from Retained Earning to Debenture Redemption Reserve	-	-	1.13	-	(1.13)	-	-	-	-	-	-
Balance as at 31st March, 2022	**208.87**	**1,201.95**	**1,955.18**	**2,436.53**	**11.15**	**18.65**	**334.89**	**(409.86)**	**5,757.36**	**1,093.68**	**6,851.04**

See accompanying notes forming part of the consolidated financial statements

As per our attached report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors
ADANI TRANSMISSION LIMITED

HARDIK SUTARIA
Partner

GAUTAM S. ADANI
Chairman
DIN: 00006273

RAJESH S. ADANI
Director
DIN: 00006322

ANIL SARDANA
Managing Director and
Chief Executive Officer
DIN: 00006867

ROHIT SONI
Chief Financial Officer

JALADHI SHUKLA
Company Secretary

Date : 05th May, 2022

Date : 05th May, 2022

1 Corporate information

Adani Transmission Limited ("The Company") is a public limited company incorporated and domiciled in India, It's ultimate holding entity is S. B. Adani Family Trust (SBAFT), having its registered office at 'Adani Corporate House', Shantigram, Near Vaishno Devi Circle, S.G.Highway, Khodiyar, Ahmedabad - 382421, Gujarat, India. The Company and its subsidiaries (together referred to as "the Group") is incorporated to carry on the business of establishing, commissioning, setting up, operating and maintaining electric power transmission systems and to peruse acquisition of available opportunity in power transmission systems/networks. The Group develops, owns and operates transmission lines across the States of Gujarat, Rajasthan, Bihar, Jharkhand, Uttar Pradesh, Maharashtra, Haryana, Chhattisgarh, Madhya Pradesh, West Bengal, Andhra Pradesh, Telangana and Tamil Nadu . The Group has entered in Generation and Distribution business in Mumbai through acquisition of Integrated Mumbai Power Business i.e. Business of Generation, Transmission and Distribution (GTD) and provide facility of distribution of electricity, effluent & sewage in Mundra SEZ area, Kutch, Gujarat. The Group has entered in to new business opportunities through OPGW fibres on transmission lines with the ambition of expanding its telecom solutions to Telcos, Internet service providers and long distance communication operators .The commercialization of the network shall be done through leasing out spare capacities to potential communication players.

2 Significant accounting policies

2.1 Statement of Compliance

The Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards (IndAS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 ("the Act") (as amended from time to time).

2.2 Basis of Preparation

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The Function currency of the group is Indian Rupee(INR). The Consolidated financial statements are presented in INR and all values are rounded to the nearest Crores (Transactions below ₹ 50,000.00 denoted as ₹ 0.00), unless otherwise indicated.

2.3 Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and subsidiaries as at March 31, 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

• has power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
• is exposed, or has rights, to variable returns from its involvement with the investee; and
• has the ability to use its power to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders:
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.
(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Statement of Profit and Loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The list of Companies included in consolidation, relationship with Adani Transmission Limited and it's shareholding therein is as under: The reporting date for all the entities is 31st March, 2022

Sr. No.	Name of Company	Country of Incorporation	Relationship	Shareholding as on 31st March 2022	Shareholding as on 31st March 2021
1	Adani Transmission (India) Limited (ATIL)	India	Subsidiary	100%	100%
2	Maharashtra Eastern Grid Power Transmission Company Limited (MEGPTCL)	India	Subsidiary	100%	100%
3	Sipat Transmission Limited (STL)	India	Subsidiary	100%	100%
4	Raipur-Rajnandgaon-Warora Transmission Limited (RRWTL)	India	Subsidiary	100%	100%
5	Chhattisgarh-WR Transmission Limited (CWRTL)	India	Subsidiary	100%	100%
6	Adani Transmission (Rajasthan) Limited (ATRL)	India	Subsidiary	100%[1]	100%[1]
7	North Karanpura Transco Limited (NKTL)	India	Subsidiary	100%	100%
8	Maru Transmission Service Company Limited (MTSCL)	India	Subsidiary	100%	100%
9	Aravali Transmission Service Company Limited (ATSCL)	India	Subsidiary	100%	100%
10	Hadoti Power Transmission Service Limited (HPTSL)	India	Subsidiary	100%	100%
11	Barmer Power Transmission Service Limited (BPTSL)	India	Subsidiary	100%	100%
12	Thar Power Transmission Service Limited (TPTSL)	India	Subsidiary	100%	100%
13	Western Transco Power Limited (WTPL)	India	Subsidiary	100%	100%
14	Western Transmission (Gujarat) Limited (WTGL)	India	Subsidiary	100%	100%
15	Fatehgarh-Bhadla Transmission Limited (FBTL)	India	Subsidiary	100%	100%
16	Ghatampur Transmission Limited (GTL)	India	Subsidiary	100%	100%
17	Adani Electricity Mumbai Limited (AEML)	India	Subsidiary	74.90%	74.90%
18	AEML Infrastructure Limited (AEML Infra)	India	Subsidiary	100%	100%
19	OBRA-C Badaun Transmission Limited (OBTL)	India	Subsidiary	100%	100%
20	Adani Transmission Bikaner Sikar Private Limited	India	Subsidiary	100%[2]	100%[2]
21	WRSS XXI (A) Transco Limited (WRSS XXI (A))	India	Subsidiary	100%	100%
22	Bikaner Khetri Transco Limited (BKTL)	India	Subsidiary	100%	100%
23	Lakadia Banaskantha Transco Limited (LBTL)	India	Subsidiary	100%	100%
24	Jamkhambhaliya Transco Limited (JKTL)	India	Subsidiary	100%	100%
25	Arasan Infra Private Limited (AIPL)	India	Subsidiary	100%	100%
26	Sunrays Infra Space Private Limited (SISPL)	India	Subsidiary	100%	100%
27	Power Distribution Services Limited	India	Subsidiary	74.90%	74.90%
28	Adani Electricity Mumbai Infra Limited (100% subsidiary of AEML) (AEMIL)	India	Subsidiary	74.90%	74.90%
29	Kharghar Vikhroli Transmission Limited (formerly known as Kharghar Vikhroli Transmission Private Limited) (KVTL)	India	Subsidiary	100%	100%
30	Alipurduar Transmission Limited (ALTL)	India	Subsidiary	100%[3]	100%[3]
31	AEML Seepz Limited (100% subsidiary of AEML)(ASL)	India	Subsidiary	74.90%	74.90%
32	Adani Transmission Step One Limited (ATSOL)	India	Subsidiary	100%	100%
33	Warora Kurnool Transmission Limited (WKTL)	India	Subsidiary	100%	100%
34	ATL HVDC Limited	India	Subsidiary	100%	N.A.
35	MP Power Transmission Package-Ii Limited	India	Subsidiary	100%	N.A.
36	MPSEZ Utilities Limited (formerly known as MPSEZ Utilities private Limited)	India	Subsidiary	100%[4]	N.A.[4]
37	Karur Transmission Limited	India	Subsidiary	100%	N.A.
38	Khavda-Bhuj Transmission Limited	India	Subsidiary	100%	N.A.

1. Adani Transmission (Rajasthan) Limited (ATRL) has entered into a contract (Transmission Service Agreement) with Rajasthan Rajya Vidyut Prasaran Nigam Limited (RRVPNL) providing for the issue and allotment of one non-transferable equity share of ATRL (the "Golden Share") in favour of the RRVPNL.

2. Adani Transmission Bikaner Sikar Private Limited (ATBSPL) has entered into a contract (Transmission Service Agreement) with Rajasthan Rajya Vidyut Prasaran Nigam Limited (RRVPNL) providing for the issue and allotment of one non-transferable equity share of ATBSPL (the "Golden Share") in favour of the RRVPNL.

3. During the year 2020-21, Group acquired 49% of paid-up equity capital of Alipurduar Transmission Limited (ALTL) with effect from 26th November, 2020 from Kalpataru Power Transmission Limited ("the Selling Shareholder") pursuant to Share Purchase Agreement ("SPA") date 5 July, 2020. Adani Transmission Limited has finalised purchase consideration for acquisition of entire stake in ALTL and has entered into a binding agreement with the Selling Shareholder to acquire remaining 51% paid-up equity capital of ALTL from the Selling Shareholder. Considering the rights available to the Group under the SPA, the Group has concluded that it controls ALTL, accordingly the Group has consolidated ALTL, for the year ended 31 March, 2022. Further the revenue and corresponding expenses of ALTL included in the consolidated financial results is from 26th November, 2020 to 31 March, 2021.

4. Consequent to Share Purchase Agreement dated 15th December, 2021 entered into between ATL and Adani Ports and Special Economic Zone Limited (APSEZ), Group has during the year acquired 100% stake in MPSEZ Utilities Limited ("MUL").

The Group has made acquisition of MUL from Adani Ports and Special Economic Zone Limited which has been described in Note 62. The Management of the Company assessed whether or not this acquisition is "Common Control Business Combination" (as defined in Appendix C of Ind-AS 103). In making this judgement, the Management considered the absolute size of holding of S.B. Adani Family Trust ("SBAFT") in both the companies, the relative size of and dispersion of the shareholding owned by other shareholders, availability of information relating to contractual arrangements between SBAFT and other shareholders which could give SBAFT sufficient power to make decisions about the relevant activities of the Company. After a careful evaluation of the available information, the Management concluded that the acquisition does not meet the definition of Common Control Business Combination. Accordingly, the acquisition has been accounted for by applying the "acquisition method" as enunciated in Ind-AS 103

2.4 Summary of significant accounting policies

(a) Property, plant and equipment

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

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

Fixtures equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

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

i) Depreciation on property, plant and equipment in respect of Mumbai Generation, Transmission and Distribution business except (ii) and (iii) of the Group covered under Part B of Schedule II of the Companies Act, 2013, has been provided on the straight line method at the rates using the methodology as notified by the regulator.

For certain types of assets in respect of which useful life is not specified in MERC Multi Year Tariff Regulations ("MYT regulations"), useful life as prescribed under Schedule-II of Companies Act, 2013 is considered.

ii)In respect of assets (other than Dahanu Thermal Power Station-DTPS) which have been accounted at fair value, considering life as specified in MYT regulations, depreciation is provided on Straight Line Method (considering a salvage value of 5%) over their balance useful life. In respect of DTPS based on technical evaluation, the balance useful life has been determined as 15 years as on 01 April, 2018.

iii) In respect of assets other than (i) & (ii) above, Salvage value in respect of assets which have not been accounted at fair value has been considered at 10% except in respect of Furniture & Fixture, Vehicles, Office Equipment and Electrical Installations which has been considered at 5% and Computers & Software at Nil (Consequent to amendment in tariff regulations, the Company has changed the Salvage value of Computers from 5 % to Nil w.e.f. 01 April 2020).

Decapitalisation

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

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

Type of Assets	Useful lives
Building	3-60 Years
Plant and Equipment (Except Meters & Batteries)*	3-35 Years
Plant and Equipment - Meters*	10 Years
Plant and Equipment - Batteries*	5 Years
Furniture and Fixtures	10-15 Years
Street Light	25 Years
Office Equipment	5-15 Years
Computer Equipment	3-6 Years
Vehicles	8-10 Years
Distribution Line / Transmission Cable	35 Years
Plant and Equipment, Building at DTPS	15 Years

* Consequent to amendment in tariff regulations, w.e.f. 01 April, 2020 AEML has changed the useful life (years) in respect of meters (from 25 to 10), batteries (from 25 to 5), Computers (from 3 to 6) and Substations put to use post 01 April, 2016 (Plant & Equipment) (from 25 to 35) for Financial year 2020-21.

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

Service line contribution received from consumers towards unconnected lines are recognised under other current financial liabilities till such lines are fully commissioned. When the lines are fully commissioned and capitalised in books, such contribution received is recognised in carrying value of such lines from the block of property, plant and equipment. MUL present the service lines contribution as deferred revenue under the head of non-current liabilities. Further, hitherto, the company presented depreciation charge on such assets as net of amortisation on such contribution being capitalised, the depreciation is presented on gross value and amortisation of such line is being presented as other operating income.

(b) Intangible assets

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

In respect of Intangible Asset ("Assets") pertaining to Mumbai Generation, Transmission and Distribution business during the year with effect from 29th August, 2018, the group has accounted for such Assets at their respective fair values based on the valuation done by professional valuation firm. Subsequent additions to the assets after 29th August, 2018 are accounted for at cost.

In respect of Intangible Asset ("Assets") pertaining to Mumbai Generation, Transmission and Distribution business acquired from Reliance Infrastructure Limited under a Court sanctioned scheme of arrangement with an appointed date of 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.

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 and distribution License	Indefinite
Computer Software	3-5 years

(c) Intangible Assets Under Development - Software

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

(d) Impairment of PPE and intangible assets other then Goodwill

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

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

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

(e) Current versus Non-Current Classification

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

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

All other assets are classified as non-current.

A liability is treated as current when:

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

The Group classifies all other liabilities as non-current.

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

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

(f) Cash & Cash Equivalents

Cash & cash equivalents comprises cash on hand, cash at bank and short term deposit with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash & cash equivalents include balance with banks which are unrestricted for withdrawal and usage.

For the purpose of the statement of cash flows, cash & cash equivalents consists of cash at banks and short term deposits as defined above, as they are considered an integral part of the Group's cash management.

(g) Statement of Cash Flows

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

(h) Financial Instruments

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

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

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

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

(A) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

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

i) Classification of financial assets

a) Financial assets at amortised cost

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

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

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

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

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

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

ii) Effective interest method

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

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

iii) Derecognition of financial assets

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

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

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

iv) Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Group estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument. The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on financial instruments has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that will results if default occurs within the 12 months after the reporting date and this, are not cash shortfalls that are predicted over the next 12 months. If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses. When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable recognition and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are expedient as permitted under Ind AS 109, this expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

v) Foreign exchange gains and losses

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

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

vi) Impairment of investments

The Group reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted in the statement of profit and loss.

(B) Financial liabilities and equity instruments

i) Classification as debt or equity

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

ii) Equity instruments

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

iii) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the Effective Interest Rate (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

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

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

such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

the financial liability whose performance is evaluated on a fair value basis, in accordance with the Group's documented risk management;

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

v) Financial liabilities at amortised cost

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

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

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

vi) Foreign exchange gains and losses

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

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

vii) Derecognition of Financial Liability

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

(C) Reclassification of financial assets and liabilities

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

(D) Offsetting of financial instruments

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

(i) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement:

In order to hedge its exposure to foreign exchange and interest rate risks, the Group enters into forward contracts, Principle only Swaps (POS) and other derivative financial instruments. The Group does not hold derivative financial instruments for speculative purposes.

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

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

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

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

To qualify for hedge accounting, the hedging relationship must meet all of the following requirements:

-there is an economic relationship between the hedged item and the hedging instrument

-the effect of credit risk does not dominate the value changes that result from that economic relationship

-the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

• Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.

• Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting.

The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the statement of profit and loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in statement of profit and loss.

Hedge accounting is discontinued when the Group revokes the hedge relationship, the hedging instrument or hedged item expires or is sold, terminated, or exercised or no longer meets the criteria for hedge accounting.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

Amounts recognised in OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Cost of inventory includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Unserviceable/damaged stores and spares are identified and written down based on technical evaluation.

(k) (i) Business combinations and Goodwill

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

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

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

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

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

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

(ii) Acquisition of Transmission SPVs classified as asset acquisitions

The Group acquires transmission SPVs' from third parties. The Purchase consideration primarily pertains to the fair value of the transmission assets. Transmission SPV's are with fixed tariff revenues under the Transmission Services Agreements (TSAs). The only key activity for these SPV's is the maintenance of the transmission assets which is or will be outsourced to third parties. There are no employees retained on acquisition and no other significant processes are performed for earning tariff revenues.

Based on evaluation of the above fact pattern vis-à-vis the guidance on definition of business under Ind AS and also keeping in view the relevant guidance on similar fact pattern available under accounting standards applicable in other jurisdictions, the management has classified the acquisition of transmission SPVs as asset acquisition.

(l) Foreign currencies

The functional currency of the Group is Indian Rupee ₹.

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

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for:

(i) exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and

(ii) exchange differences on transactions entered into in order to hedge certain foreign currency risks (see note 49)

(m) Fair value measurement

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

(i) In the principal market for the asset or liability; or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Fair value measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

(ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

(iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per The Group's accounting policies. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(n) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

i) Income from Transmission of Power:

- Revenue are recognised immediately when the service is provided. The Group collects the tax on behalf of the government and therefore, these are not economic benefits flowing to the Group. Hence they are excluded from revenue.
- Transmission income is accounted for based on tariff orders notified by respective regulatory authorities.
- The transmission system incentive / disincentive is accounted for based on certification of availability by respective Regional Power Committee.
- **Service concession arrangements (SCA) :**

With respect to SCA, revenue and costs are allocated between those relating to construction services and those relating to operation and maintenance services, and are accounted for separately. Consideration received or receivable is allocated by reference to the relative fair value of services delivered when the amounts are separately identifiable. The infrastructure used in a concession are classified as an intangible asset or a financial asset, depending on the nature of the payment entitlements established in the SCA. When the amount of consideration under the arrangement for the provision of public services is substantially fixed by a contract, the Group recognizes the consideration for construction services at its fair value as a financial asset and is classified as "financial asset under service concession arrangements". When the demand risk is with Group, then, to the extent that the Group has a right to charge the user of infrastructure facility, the Group recognizes the consideration for construction services at its fair value, as an intangible asset. The Group accounts for such intangible asset in accordance with the provisions of Ind AS 38. When the amount of consideration under the arrangement comprises -

- fixed charges based on Annual Capacity and
- variable charges based on Actual utilisation of capacity

then, the Group recognizes the consideration for construction services at its fair value, as the "financial asset under service concession arrangement" to the extent present value of fixed payment to be received discounted at incremental borrowing rate and the residual portion is recognized as an intangible asset.

(a) **Infrastructure is under project phase, the treatment of income is as follows:**

Revenues relating to construction contracts which are entered into with government authorities for the construction of the infrastructure necessary for the provision of services are measured at the fair value of the consideration received or receivable. Revenue from service concession arrangements is recognised based on the fair value of construction work performed at the reporting date.

(b) **Infrastructure is in operation, the treatment of income is as follows:**

Finance income over financial asset after consideration of fixed transmission charges is recognized using effective interest method. Variable transmission charges revenue is recognized in the period when the service is provided. Revenues relating to construction contracts which are entered into with government authorities for the construction of the infrastructure necessary for the provision of services are measured at the fair value of the consideration received or receivable. Revenue from service concession arrangements is recognised based on the fair value of construction work performed at the reporting date.

(ii) Sale of Power - Distribution Business

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

(iii) Rendering of Services

Revenue from a contract to provide services is recognized over time based on output method where direct measurements of value to the customer based on survey's of performance completed to date. Revenue is recognised net of cash discount at a point in time at the contracted rate.

(iv) Amortisation of Service Line Contribution

Contributions by consumers towards items of property, plant and equipment, which require an obligation to provide electricity connectivity to the consumers, are recognised as a credit to deferred revenue. Such revenue is recognised over the useful life of the property, plant and equipment.

(v) Sale of Goods:

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

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the amount of revenue can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the Group.
- There is no significant judgement involved while evaluating the timing as to when customers obtain control of promised goods and services.

(vi) Interest on Overdue Receivables / Delay Payment Charges

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

(ii) Distribution Business - Consumers are billed on a monthly basis and are given average credit period of 15 to 30 days for payment. No delayed payment charges ('DPC') / interest on arrears ('IOA') is charged for the initial 15-30 days from the date of invoice to customers. Thereafter, DPC / IOA is charged at the rate prescribed in the tariff order on the outstanding amount.

(o) Borrowing costs

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

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

Substantial time is defined as time required for commissioning of the assets considering industry benchmarks/MERC tariff regulations.

(p) Employee benefits

i) Defined benefit plans:

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees through Group Gratuity Scheme of Life Insurance Corporation of India. The Group accounts for the liability for the gratuity benefits payable in future based on an independent actuarial valuation carried out using Projected Unit Credit Method considering discounting rate relevant to Government Securities at the Balance Sheet Date.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognised in the statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs
- Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements; and
- Net interest expense or income.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Defined benefit costs in the nature of current and past service cost and net interest expense or income are recognized in the statement of profit and loss in the period in which they occur. Actuarial gains and losses on remeasurement is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur and is reflected immediately in retained earnings and not reclassified to profit or loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment.

ii) Defined contribution plan:

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

iii) Compensated Absences:

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

iv) Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

(q) Leases

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

The Group recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method.

(r) Taxation

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

i) Current tax

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

ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction other than a business combination that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

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

Regulators tariff norms provide the recovery of Income Tax from the beneficiaries by way of grossing up the return on equity based on effective tax rate for the financial year shall be based on the actual tax paid during the year on the transmission income from certain subsidiaries . Accordingly, deferred tax liability provided during the year which is fully recoverable from beneficiaries and known as "deferred assets recoverable / adjustable". The same will be recovered when the related deferred tax liability forms a part of current tax.

(s) Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

(t) Provisions, Contingent Liabilities and Contingent Assets.

i) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

Present obligations arising under onerous contracts are recognised and measured as provisions with charge to statement of profit and loss. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

ii) Contingent liability

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

iii) Contingent assets

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

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

(u) Regulatory Deferral Account

The Group determines revenue gaps (i.e. surplus/shortfall in actual returns over returns entitled) in respect of its regulated operations in accordance with the provisions of Ind AS 114 "Regulatory Deferral Accounts" read with the Guidance Note on Rate Regulated Activities issued by ICAI and based on the principles laid down under the relevant Tariff Regulations/Tariff Orders notified by the Electricity Regulator and the actual or expected actions of the regulator under the applicable regulatory framework. Appropriate adjustments in respect of such revenue gaps are made in the regulatory deferral account of the respective year for the amounts which are reasonably determinable and no significant uncertainty exists in such determination. These adjustments/accruals representing revenue gaps are carried forward as Regulatory deferral accounts debit/credit balances (Regulatory Assets/Regulatory Liabilities) as the case may be in the financial statements, which would be recovered/refunded through future billing based on future tariff determination by the regulator in accordance with the electricity regulations.

The Group presents separate line items in the balance sheet for:
i. the total of all regulatory deferral account debit balances; and
ii. the total of all regulatory deferral account credit balances.
A separate line item is presented in the Statement of Profit and Loss for the net movement in regulatory deferral account. Regulatory assets/ liabilities on deferred tax expense/income is presented separately in the tax expense line item

(v) Dividend distribution to equity shareholders

The Group recognises a liability to make dividend distributions to its equity holders when the distribution is authorised and the distribution is no longer at its discretion. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

In case of Interim Dividend, the liability is recognised on its declaration by the Board of Directors.

3 Significant accounting judgements, estimates and assumptions

Critical accounting judgements and key sources of estimation uncertainty

The application of the group accounting policies as described in Note 2, in the preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

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

3.1 Property, plant and equipment:(PPE)

i) Service concession arrangements[1]

The Group has assessed applicability of Appendix C of Ind AS - 115 "Service Concession Arrangements" with respect to its transmission assets portfolio. In assessing the applicability, the Group have exercised judgement in relation to the provisions of the Electricity Act, 2003, transmission license and / or agreements etc.

ii) Depreciation rates, depreciation method and residual value of property, plant and equipment[1]

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

i) Depreciation in respect of assets related to electricity transmission business covered under Part B of Schedule II of the Companies Act, 2013, has been provided on the straight line method at the rates using the methodology as notified by the respective regulators.

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

iii) Impairment of property plant and equipment[2]

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

3.2 Taxation:

Deferred tax assets[2]

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

Regulators tariff norms provide the recovery of Income Tax from the beneficiaries by way of grossing up the return on equity based on effective tax rate for the financial year shall be based on the actual tax paid during the year on the transmission income. Accordingly, deferred tax liability provided during the year which is fully recoverable from beneficiaries and known as "deferred assets recoverable / adjustable". The same will be recovered when the related deferred tax liability forms a part of current tax.

3.3 Fair value of Assets and liabilities acquired on business combination and Assets Acquisition are considered at fair value[2]. (Refer note 62)

3.4 Impairment of Goodwill and other intangible assets with indefinite life[2]

Goodwill and other intangible assets with indefinite life are tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments. (Refer Note 2.4 (k)) & (Refer note 58)

3.5 Judgement to estimate the amount of provision required or to determine required disclosure related to litigation and claim against the Group[2] (Refer note 43)

3.6 Fair value measurement of financial instruments[2]

In estimating the fair value of financial assets and financial liabilities, the Group uses market observable data to the extent available. Where such Level 1 inputs are not available, the Group establishes appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 46.

3.7 Employee benefit plans:

Defined benefit plans and other long-term employee benefits[2]

The present value of obligations under defined benefit plan and other long term employment benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations, attrition rate and mortality rates etc. Due to the complexities involved in the valuation and its long term nature, these obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Information about the various estimates and assumptions made in determining the present value of defined benefit obligations are disclosed in Note 55.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

3.8 Assessment of lease classification in respect of long term power purchase agreement.[1]

The Group had a 25 year long term Power Purchase Agreement (PPA) with Vidharbha Industries Power Limited (VIPL), wherein the Group has committed to purchase the entire output generated from VIPL's generating station located at Butibori. In terms of the PPA, the Group subject to a minimum guaranteed plant availability (determined on a yearly basis) is liable to pay subject to MERC approval a fixed monthly capacity charge and a variable charge towards the cost of fuel.VIPL was obligated to make the plant available for generation for a minimum period of time (determined on a yearly basis) and the option as regards the timing of availability was at the discretion of VIPL.

The Group on assessment of the above arrangement has concluded, that considering the Group does not have the right to direct the use of the asset , the above arrangement does not qualify to be lease under IND AS 116.

During the previous year the Company had terminated the above PPA due to non-performance of obligations under the PPA by VIPL, such termination has been upheld by MERC / Appellate Tribunal of Electricity ("ATE").

3.9 Acquisition of Transmission SPV's classified as Assets acquisitions[1]

The Group acquires transmission SPVs' from third parties. The Purchase consideration primarily pertains to the fair value of the transmission assets. Transmission SPV's are with fixed tariff revenues under the Transmission Services Agreements (TSAs) for 35 years. The only key activity for these SPV's is the maintenance of the transmission assets which is or will be outsourced to third parties. There are no employees retained on acquisition and no other significant processes are performed for earning tariff revenues.

Based on evaluation of the above fact pattern vis-à-vis the guidance on definition of business under IND AS and also keeping in view the relevant guidance on similar fact pattern available under accounting standard applicable in other justifications, the management has classified the acquisition of Transmission SPV's as assets acquisition. (Refer Note 62)

[1] **Critical accounting judgments**

[2] **Key sources of estimation uncertainties**

4 Standards issued but not effective /Impact of new and amended Ind As

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. In the current year, the below amendments to Ind ASs were effective for an annual period that begins on or after 1 April 2022 and the impact of the amendments on the financial statements is as under :

Impact of the initial application of new and amended Ind ASs that are effective for the current year

In the current year, the below amendments to Ind ASs were effective for an annual period that begins on or after 1 April, 2022 and the impact of the amendments on the financial statements is as under :

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.

5. Property, Plant and Equipment, Intangible Assets and Capital Work in Progress

5.1 Property, Plant and Equipment

(₹ in Crores)

Description of Assets	Tangible Assets												Intangible Assets		
	Land (Free hold)	Building	Plant and Equipment	Furniture and Fixtures	Office Equipment	Computer Equipment	Vehicles	Railway Slidings	Distribution System	Jetties	Electrical Installation	Total	Computer Software	Transmission and distribution License	Total
I. Gross Carrying Amount															
Balance as at 1st April, 2020	**2,735.71**	**984.46**	**17,891.75**	**21.48**	**14.79**	**69.06**	**25.95**	**6.70**	**5,046.17**	**1.23**	**22.36**	**26,819.66**	**22.41**	**981.62**	**1,004.03**
Additions	18.84	39.51	1,279.17	1.73	9.03	34.93	15.26	-	633.38	0.05	4.93	2,036.83	21.65	-	**21.65**
Disposals	-	-	(5.59)	-	(0.07)	(0.00)	(1.58)	-	-	-	(0.07)	(7.31)	-	-	**-**
Acquisitions of subsidiaries	9.20	4.24	1,309.16	0.01	0.05	-	-	-	-	-	-	1,322.66	-	-	**-**
Balance as at 31st March, 2021	**2,763.75**	**1,028.21**	**20,474.49**	**23.22**	**23.80**	**103.99**	**39.63**	**6.70**	**5,679.55**	**1.28**	**27.22**	**30,171.84**	**44.06**	**981.62**	**1,025.68**
Additions	96.83	85.75	3,104.72	1.16	8.37	80.03	6.86	-	634.41	0.08	17.75	4,035.96	52.14	-	**52.14**
Disposals	(0.01)	(0.09)	(27.11)	(0.14)	(0.43)	(0.73)	(0.72)	-	-	-	(0.38)	(29.61)	-	-	-
Acquisitions of subsidiaries (Refer Note 62)	-	5.05	138.21	0.02	0.02	0.13	0.02	-	-	-	-	143.45	0.01	51.34	51.35
Balance as at 31st March, 2022	**2,860.57**	**1,118.92**	**23,690.31**	**24.26**	**31.76**	**183.42**	**45.79**	**6.70**	**6,313.96**	**1.36**	**44.59**	**34,321.64**	**96.21**	**1,032.96**	**1,129.17**
II. Accumulated depreciation															
Balance as at 1st April, 2020	**-**	**66.74**	**3,322.15**	**6.06**	**5.78**	**20.71**	**3.95**	**0.67**	**288.23**	**0.12**	**5.55**	**3,719.96**	9.16	-	9.16
Depreciation and Amortisation Expense	-	36.60	1,007.40	2.77	2.83	11.20	3.71	0.41	222.37	0.08	3.09	1,290.46	7.21	-	7.21
Eliminated on disposal of assets	-	-	(4.09)	-	(0.03)	-	(0.65)	-	-	-	(0.07)	(4.84)	-	-	-
Balance as at 31st March, 2021	**-**	**103.34**	**4,325.46**	**8.83**	**8.58**	**31.91**	**7.01**	**1.08**	**510.60**	**0.20**	**8.57**	**5,005.58**	**16.37**	**-**	**16.37**
Depreciation and Amortisation Expense	-	39.79	1,049.27	2.44	3.68	17.51	5.20	0.41	258.29	0.08	3.18	**1,379.85**	17.34	-	**17.34**
Eliminated on disposal of assets	-	(0.02)	(15.46)	(0.14)	(0.39)	(0.72)	(0.35)	-	-	-	(0.30)	**(17.38)**	-	-	-
Acquisitions of subsidiaries (Refer Note 62)	-	1.02	47.49	0.01	0.00	0.04	0.01	-	-	-	-	**48.57**	0.00	-	0.00
Balance as at 31st March, 2022	**-**	**144.13**	**5,406.76**	**11.14**	**11.87**	**48.74**	**11.87**	**1.49**	**768.89**	**0.28**	**11.45**	**6,416.62**	**33.71**	**-**	**33.71**

(₹ in Crores)

Description of Assets	Tangible Assets												Intangible Assets		
	Land (Free hold)	Building	Plant and Equipment	Furniture and Fixtures	Office Equipment	Computer Equipment	Vehicles	Railway Slidings	Distribution System	Jetties	Electrical Installation	Total	Computer Software	Transmission and distribution License	Total
Net Carrying Value :															
As at 31st March, 2021	**2,763.75**	**924.87**	**16,149.03**	**14.39**	**15.22**	**72.08**	**32.62**	**5.62**	**5,168.95**	**1.08**	**18.65**	**25,166.26**	**27.69**	**981.62**	**1,009.31**
As at 31st March, 2022	**2,860.57**	**974.79**	**18,283.55**	**13.12**	**19.89**	**134.68**	**33.92**	**5.21**	**5,545.07**	**1.08**	**33.14**	**27,905.02**	**62.50**	**1,032.96**	**1,095.46**

Notes:

(i) The above Intangible Assets are other than internally generated Intangible Assets

(ii) Transmission License was acquired as a part of the business acquisition. The license is valid for 25 years from 16th August 2011 to 15th August, 2036. The license may be further extended at minimal cost, considering similar extensions have happened in the past. Based on an analysis of all of the relevant factors, the license is considered by the company as having an indefinite useful life, as there is no foreseeable limit to the period over which the transmission business related assets are expected to generate net cash inflows for the company.

(iii) In respect of AEML, 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 Energy Limited" / "Reliance Infrastructure Limited". AEML is in process of updating the same from erstwhile Company's name to the name of the Company. Details of Immovable Properties for which title deeds are not in the name of Company are given below:

(iv) Consequent to amendment in tariff regulations, w.e.f. 01 April, 2020, Group has changed the useful life in respect of batteries and meters and accordingly depreciation for year ended 31 March, 2021 is higher by ₹ 81.19 crores.

Further in line with the tariff regulations, w.e.f. 01 April, 2020, the Group has changed the useful life in respect to certain Plant & Machinery and IT Equipment, accordingly depreciation for the year ended 31 March, 2021 is lower by ₹ 13.40 crores.

For charge created on aforesaid assets, refer note 22.

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

Relevant Line Item in Balance sheet	Description of Property	Gross carrying value (₹ in Crores)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property, Plant and Equipment	Land (Free hold)	25.41	Adani Power Limited	No	1st April , 2014	ATIL subsidiary of ATL being demerged from erstwhile company related to transmission business. Post demerger, the Company is in process of transferring the same in the name of the Company.
Right-of-Use Assets	Leasehold Land	8.78	Adani Power Limited	No	1st April , 2014	
Property, Plant and Equipment	Land (Free hold)	71.70	Godrej & Boyce Mfg. Co. Ltd	No	7th July , 2020	Erstwhile land of KVTL, subsidiary of ATL is registered in the name of Godrej & Boyce Mfg. Co. Ltd, post acquisition KVTL is in process of transferring the same in the name of the KVTL.
Property, Plant and Equipment	Land (Free hold)	24.68	Godrej & Boyce Mfg. Co. Ltd	No	7th July , 2020	
Property, Plant and Equipment	Land (Free hold)	2477.47	BSES / Reliance Energy / Reliance Infrastructure	No	28th August , 2018	The title deeds in respect of land and certain residential properties are either in the erstwhile names of the AEML viz: "Bombay Suburban Electric Supply Limited" / "Reliance Energy Limited" / "Reliance Infrastructure Limited". The AEML is in process of updating the same from erstwhile Company's name to the name of the AEML.
Property, Plant and Equipment	Building - Residential /Others	584.58	BSES / Reliance Energy / Reliance Infrastructure	No	28th August , 2018	
Property, Plant and Equipment	Leasehold Land	7.88	BSES / Reliance Energy / Reliance Infrastructure	No	28th August , 2018	

5.2 Capital Work-In-Progress (₹ in Crores)

Particulars	Amount in CWIP for a period of				
	<1 year	1-2 years	2-3 years	> 3 years	Total
Capital-work-in progress ageing schedule:					
As at 31st March, 2022					
- Projects in progress	4,165.15	777.83	63.11	51.89	**5,057.98**
- Projects temporarily suspended	0.22	0.87	0.95	0.14	**2.18**
Total	**4,165.37**	**778.70**	**64.06**	**52.03**	**5,060.16**
As at 31st March, 2021					
- Projects in progress	4,643.61	505.68	42.85	46.71	**5,238.85**
- Projects temporarily suspended	0.21	0.51	0.07	0.09	**0.88**
Total	**4,643.82**	**506.19**	**42.92**	**46.80**	**5,239.73**

For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan: (₹ in Crores)

Particulars	Amount in CWIP for a period of				
	<1 year	1-2 years	2-3 years	> 3 years	Total
Capital-work-in progress ageing schedule:					
As at 31st March, 2022					
- Projects in progress					
220kV 120MVAR Reactor at AEML Gorai	0.19	-	-	-	**0.19**
- Projects temporarily suspended					
Low Tension network projects	0.17	-	-	-	**0.17**
Total	**0.36**	-	-	-	**0.36**
As at 31st March, 2021					
- Projects in progress					
Low Tension network projects	0.15	-	-	-	**0.15**
- Projects temporarily suspended					
Low Tension network projects	0.25	-	-	-	**0.25**
Total	**0.40**	-	-	-	**0.40**

Cost Overruns upto (+/-) 10 % are envisaged by the management's original plan, and hence not considered in above table.

Capital-work-in progress, whose completion is overdue compared to its original plan: (₹ in Crores)

Particulars	To be completed in				
	<1 year	1-2 years	2-3 years	> 3 years	Total
As at 31st March, 2022					
- Projects in progress					
Main Plant DPR Jobs	0.23	-	-	-	**0.23**
Main Plant Non DPR Jobs	0.01	-	-	-	**0.01**
11KV Substation jobs	0.06	-	-	-	**0.06**
Receiving Station Jobs	0.82	-	-	-	**0.82**
Low Tension Network jobs	0.02	-	-	-	**0.02**
Others Non DPR Jobs	0.06	-	-	-	**0.06**
Projects temporarily suspended					
Receiving Station Jobs	0.05	-	-	-	**0.05**
Total	**1.25**	-	-	-	**1.25**
As at 31st March, 2021					
- Projects in progress					
Main Plant DPR Jobs	0.68	-	-	-	**0.68**
- Projects temporarily suspended					
	-			-	-
Total	**0.68**	-	-	-	**0.68**

Time Overruns due to delay in statutory approvals and right of way issues, and approved by the management's revised plan are not considered in above table.

5.3 Intangible Assets Under Development (₹ in Crores)

Particulars	Amount in Intangible Assets Under Development for a period of				
	<1 year	1-2 years	2-3 years	> 3 years	Total
Intangible Assets Under Development:					
As at 31st March, 2022					
- Projects in progress	-	-	-	-	-
- Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-
As at 31st March, 2021					
- Projects in progress	12.76	2.65	-	-	**15.41**
- Projects temporarily suspended	-	-	-	-	-
Total	**12.76**	**2.65**	-	-	**15.41**

5.4 Right of Use Assets (₹ in Crores)

Description of Assets	Leasehold Land	Building	Right of Way	Computer Equipment	Total
I. Gross Carrying Amount					
Balance as at 1st April, 2020	100.16	129.92	40.16	-	270.24
Additions	0.78	14.22	-	1.55	16.55
Disposals	-	(4.78)	-	-	(4.78)
Acquisitions of subsidiaries	-	0.05	-	-	0.05
Balance as at 31st March, 2021	**100.94**	**139.41**	**40.16**	**1.55**	**282.06**
Additions	510.43	0.05	-	-	510.48
Disposals	(0.42)	(36.57)	-	-	(36.99)
Acquisitions of subsidiaries	-	12.96	-	-	12.96
Balance as at 31st March, 2022	**610.95**	**115.85**	**40.16**	**1.55**	**768.51**
II. Accumulated depreciation					
Balance as at 1st April, 2020	6.93	23.97	1.80	-	32.70
Amortisation Expense	5.87	23.16	1.81	0.37	31.21
Balance as at 31st March, 2021	**12.80**	**47.13**	**3.61**	**0.37**	**63.91**
Amortisation Expense	9.14	20.05	3.02	0.30	32.51
Eliminated on disposal of assets	(0.05)	(3.94)	-	-	(3.99)
Acquisitions of subsidiaries	-	3.08	-	-	3.08
Balance as at 31st March, 2022	**21.89**	**66.32**	**6.63**	**0.67**	**95.51**
Net Carrying Value :					
As at 31st March, 2021	**88.14**	**92.28**	**36.55**	**1.18**	**218.15**
As at 31st March, 2022	**589.06**	**49.53**	**33.53**	**0.88**	**673.00**

(i) The title deeds in respect of certain lease hold land properties are in the erstwhile names of the Company viz: "Bombay Suburban Electric Supply Limited" / "Reliance Energy Limited" / "Reliance Infrastructure Limited" . The Company is in process of Changing the name of the Company.

Further leasehold land amounting to ₹ 510.00 Crs included in the right of use assets, the Company has memorandum of understanding in name of the Company and the Company will enter into formal lease agreement on completion of the construction of the substation as per the requirement of the Slum Rehabilitation Authority .Further during the year, capital advance of ₹ 431.00 crores was given to M/s. Superheights Infraspace Private Limited (SIPL) (related party) towards acquiring leasehold rights of land parcel at BKC, Mumbai for construction of Extra High Voltage (EHV) Substation to meet the incremental load requirement. The same is capitalised on obtaining possesion of the said land.

(ii) The title deeds in respect of certain land and Buildings are in the erstwhile names of the Company viz: "Adani Power Limited" from which the transmission business was demerged into ATIL under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honourable High Court of judicature. Post demerger, ATIL is in process of transferring the same in the name of the ATIL.

5.5 Depreciation and Amortisation Expenses (₹ in Crores)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Depreciation on Tangible Assets	1,379.85	1,290.46
Amortisation of Intangible Assets	17.34	7.21
Amortisation of Right of Use	32.51	31.21
Less : Transferred to Capital work in progress	(2.55)	-
Total	**1,427.15**	**1,328.88**

6 Investments

Non-Current investments

Investment in Government or Trust Securities at amortised cost
Contingency Reserve Investment (Quoted)

	No of Securities	Face Value of ₹ unless otherwise specified	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)
7.16% Central Government of India - 2050	1,87,50,000 (1,87,50,000)	100 (100)	201.78	202.07
9.23% Central Government of India - 2043	13,65,000 (13,65,000)	100 (100)	17.09	17.75
8.17% Central Government of India 2044	30,00,000 (30,00,000)	100 (100)	33.93	35.58
8.13% Central Government of India 2045	10,00,000 (10,00,000)	100 (100)	11.31	11.78
8.97% Central Government of India 2030	5,000 (5,000)	100 (100)	0.06	0.06
		Total	**264.17**	**267.24**
Aggregate book value of Quoted Investments			264.17	**267.24**
Aggregate market value of Quoted Investments			**246.65**	**259.90**

7 Loans- At Amortised Cost

	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)
Housing loans to employee against Hypothecation of the property (Secured, considered good)	20.17	25.96
Loan to employees (Unsecured, considered good)	8.77	7.86
Inter Corporate Deposit given to related party (Unsecured, considered good)	1,099.60	1,040.00
Total	**1,128.54**	**1,073.82**

Particulars	Amount of loan or advance in the nature of loan outstanding		Percentage to the total Loans and Advances in the nature of loans	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Promoter	-	-	-	-
Director	-	-	-	-
Key Managerial Personnel	-	-	-	-
Related Party	1,099.60	1,040.00	97%	95%

8 Non-current Financial Assets- Others

	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)
Fixed Deposits with maturity over 12 months *	523.93	483.18
Financial Asset Under Service Concession Arrangement (SCA)	1,065.80	1,130.43
Unbilled Revenue	1,068.28	159.14
Derivative instruments designated in hedge accounting relationship	303.94	242.53
Security deposit - Considered Good	52.39	20.88
Security deposit -Considered doubtful	1.05	1.05
Balances held as Margin Money or security against borrowings	507.79	874.47
Other Receivable	8.91	-
Total	**3,532.09**	**2,911.68**
Less : Provision For Doubtful Deposits	(1.05)	(1.05)
Total	**3,531.04**	**2,910.63**

* Represents deposits Amount towards Debt Service Reserve Account (DSRA) and Capex Reserve Account (CRA)

9 Income Tax Assets (Net)

	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)
Income Tax Assets (Net)	88.87	63.07
Total	**88.87**	**63.07**

10 Other Non-current Assets

	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)
Advance to Employees	2.03	2.34
Capital advances		
Considered Good	531.54	703.84
Prepaid Expenses	1.32	2.72
Deferred Assets (recoverable) / adjustable (Refer Note 28)	942.05	968.74
Total	**1,476.94**	**1,677.64**

11 Inventories
(At lower of Cost and Net Realisable Value)

	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)
Fuel	127.40	128.06
Fuel -in Transit	35.83	19.06
Stores & spares	86.88	86.59
Total	**250.11**	**233.71**

12 Current Financial Assets - Investment

Investment in Mutual Funds units at FVTPL (Unquoted)	Face Value of ₹ unless otherwise specified	No of Units*	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)
Kotak Overnight Fund -Direct Growth	1000 (1000)	4,59,018.90 (-)	52.04	-
Nippon India Liquid Fund Direct Growth Plan	1000 (1000)	6,927.38 (2,045.12)	3.61	1.03
Nippon India Overnight Fund -Direct Growth	1000 (1000)	9,10,154.82 (15,60,596.02)	10.39	17.24
ICICI Prudential Overnight Fund Direct Plan	100 (100)	29,62,844.65 (14,15,818.09)	33.96	15.71
Kotak Liquid Fund - Direct Growth Plan	1000 (1000)	19,602.80 (46,94,22.56)	8.44	51.54
HDFC Overnight Fund- Direct plan-Growth Option	1000 (1000)	8,975.85 (15,709.09)	2.83	4.80
Aditya Birla Overnight Fund Growth -DirectPlan	1000 (1000)	6,06,999.18 (732.30)	69.79	0.08
Birla Sun Life Cash Plus - Growth-Direct Plan	1000 (1000)	3,28,799.10 (-)	11.28	-
SBI Overnight Fund Direct Growth Plan	1000 (1000)	1,02,479.54 (79,426.51)	35.47	26.62
Edelweiss Overnight Fund Direct Plan Growth	1000 (1000)	11,893.46 (11,893.46)	1.31	1.27
UTI Overnight Fund-Direct Growth Plan	1000 (1000)	11,371.23 (1,04,953.44)	3.31	29.57
Axis Overnight Fund Direct Growth	1000 (1000)	2,50,059.29 (2,15,332.72)	28.10	23.43
ICICI Prudential Liquid Fund - Direct Growth Plan	100 (100)	Nil (1,14,648.08)	-	3.50
		Total (a)	**260.53**	**174.79**

* Previous year units are in bracket

Aggregate Carrying value of unquoted investments	260.53	174.79
Aggregate market value of unquoted investments	260.53	174.79

Investment for Contingency Reserve

Contingency Reserve Investment (Quoted)	Face Value of ₹ unless	No of Securities		
8.13% Central Government of India - 2022 at amortised cost	100	1,10,000 (Nil)	1.14	-
Treasury Bills at FVTPL	100	40,00,000 (Nil)	34.68	-
		Total (b)	**35.82**	**-**
Aggregate book value of Quoted Investments			**35.82**	**-**
Aggregate market value of Quoted Investments			**36.12**	**-**
		Total (a) + (b)	**296.35**	**174.79**

13 Trade Receivables

(Unsecured otherwise stated)	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)
Unsecured, considered good	1,070.84	1,013.54
- more than 6 months	-	-
- Less than 6 months	1,070.84	1,013.54
Credit Impaired	11.89	11.44
	1,082.73	**1,024.98**
Less : Expected Credit Loss	(11.89)	(11.44)
Total	**1,070.84**	**1,013.54**

Trade Receivable Ageing Schedule

As at 31st March, 2022

Particulars	Outstanding for following periods from due date of receipt						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	464.70	480.19	46.99	40.81	-	0.02	**1,032.71**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	6.25	18.08	3.87	7.12	-	-	**35.32**
(iii) Undisputed Trade Receivables – credit impaired	-	-	0.00	1.39	0.00	-	**1.39**
(iv) Disputed Trade Receivables considered good	0.60	1.66	0.36	0.15	-	-	**2.77**
(v) Disputed Trade Receivables - which have significant increase in credit risk	0.01	0.03	-	-	-	-	**0.04**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	10.50	**10.50**
(vii) Provision for doubtful debt	-	-	(0.00)	(1.39)	(0.00)	(10.50)	**(11.89)**
Total	**471.56**	**499.96**	**51.22**	**48.08**	**-**	**0.02**	**1,070.84**

As at 31st March, 2021

Particulars	Outstanding for following periods from due date of receipt						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	446.83	434.78	86.35	1.04	-	0.15	**969.15**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	2.67	19.39	8.70	10.98	-	-	**41.74**
(iii) Undisputed Trade Receivables – credit impaired	-	-	1.39	-	-	-	**1.39**
(iv) Disputed Trade Receivables considered good	0.87	1.15	0.33	0.29	-	-	**2.64**
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	0.01	-	-	-	-	**0.01**
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	10.05	**10.05**
(vii) Provision for doubtful debt	-	-	(1.39)	-	-	(10.05)	**(11.44)**
Total	**450.37**	**455.33**	**95.38**	**12.31**	**-**	**0.15**	**1,013.54**

Movement in the allowance for doubtful trade receivables	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)
Balance at the beginning of the year	11.44	77.46
Add/(Less) : Provision made / (Written off) during the year (net of recoveries)	0.45	(66.02)
Balance at the end of the year	**11.89**	**11.44**

(i) The Group holds security deposit amounting to ₹ 471.70 crores (PY - ₹ 474.80 crores)in respect of trade receivable of Distribution business.
(ii) The average credit period for the Group's receivables from its distribution business is in the range of 15 to 30 days. No interest or delayed payment is charged on trade receivables till the due date. Thereafter, one time delayed payment charges at the rate of 1.25% & interest after 30 / 60 days from bill date is charged in the range of 12% to 15% per annum.
(iii) The average credit period for the Group's receivables from its Transmission business is in the range of 30 to 60 days. No interest or delayed payment is charged on trade receivables till the due date. Thereafter, delayed interest charges, after 30 / 60 days from bill date is charged in the range of 12% to 15% per annum. For Transmission business, regulator approved tariff is receivable from long-term transmission customers (LTTCs) that are highly rated companies or government parties. Counterparty credit risk with respect to these receivables is very minimal.

(iv) The Group considers for impairment its receivables from customers in its of Distribution business. The risk of recovery in these businesses is reduced to the extent of security deposits already collected and held as collateral. Balance amount receivable over and above the deposit is assessed for expected credit loss allowances. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experienced and adjusted for forward- looking information. The expected credit loss allowance is based on ageing of the days the receivables are due.

(v) Above trade receivables are pledged as security with the Lenders against borrowings. (Refer note 22)
(vi) The concentration of credit risk is very limited due to the fact that the large customers are mainly government bodies / departments and remaining customer base is large and widely dispersed and secured with security deposit.

14 Cash and Cash Equivalents	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)
Balances with banks		
In current accounts	165.85	175.71
Fixed Deposits (with original maturity for three months or less)	13.28	60.60
Cheque / Draft on Hand	9.12	24.97
Cash on Hand	0.80	2.40
Total	**189.05**	**263.68**

For charge created on aforesaid assets, refer note 22.

15 Bank Balance other than Cash and Cash Equivalents

	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)
Balances held as Margin Money	1,107.62	970.84
Fixed Deposits (with original maturity of more than 3 months and less than 12 months) (Lodged against Bank guarantees and Debt service reserve account)	189.75	49.80
Fixed Deposit (with original maturity of more than 3 months and less than 12 months)	6.15	5.59
Total	**1,303.52**	**1,026.23**

For charge created on aforesaid assets, refer note 22.

16 Current Financial Assets - Loans

(At Amortised Cost)

	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)
Housing loans to employee against Hypothecation of the property (Secured, considered good)	3.49	3.74
Loans to employees - Unsecured considered good	4.32	3.44
Loans to Others (Unsecured, considered good)	-	17.25
Total	**7.81**	**24.43**

17 Current Financial Assets- Others

	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)
Interest receivable	21.19	10.09
Unbilled Revenue	819.61	1,266.29
Financial Asset Under Service Concession Arrangement (SCA)	87.91	88.84
Security deposit	11.24	18.75
Derivative instruments designated in hedge accounting relationship	1.50	0.08
Other Receivables	125.28	10.54
Total	**1,066.73**	**1,394.59**

18 Other Current Assets

	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)
Advance to Suppliers	196.29	370.27
Balances with Government authorities	8.72	17.09
Prepaid Expenses	124.69	35.79
Advance to Employees	4.49	5.87
Total	**334.19**	**429.02**

19 Equity Share Capital

	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)
Authorised Share Capital		
1,50,00,00,000 (As at 31st March 2021-1,50,00,00,000) equity shares of ₹ 10 each	1,500.00	1,500.00
Total	**1,500.00**	**1,500.00**
Issued, Subscribed and Fully paid-up equity shares		
109,98,10,083 (As at 31st March 2021- 109,98,10,083) fully paid up equity shares of ₹ 10 each	1,099.81	1,099.81
Total	**1,099.81**	**1,099.81**

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

Equity Shares	As at 31st March, 2022 No. Shares	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 No. Shares	As at 31st March, 2021 (₹ in Crores)
At the beginning of the Year	1,09,98,10,083	1,099.81	1,09,98,10,083	1,099.81
Outstanding at the end of the year	**1,09,98,10,083**	**1,099.81**	**1,09,98,10,083**	**1,099.81**

Subsequent to 31st March 2022, the board of directors of the Company, in their meeting held on 8th April 2022 have approved the transaction for issue of 15,682,600 equity share of face value of ₹ 10 each of the Company, for total consideration of ₹ 3,850 Crores to Green Transmission investment Holding RSC Limited ("investor"), on a preferential basis. The current principal shareholder of the Investor is IHC Capital Holding LLC , Abu Dhabi, UAE. The transaction is approved by the shareholder in their meeting held on 5th May 2022, however subject to regulatory / statutory approvals.

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

Particulars	As at 31st March, 2022 No. Shares	As at 31st March, 2022 % holding in the class	As at 31st March, 2021 No. Shares	As at 31st March, 2021 % holding in the class
Equity shares of ₹ 10 each fully paid				
Mr. Gautam S. Adani / Mr. Rajesh S. Adani (On the behalf of S.B. Adani Family Trust)	62,11,97,910	56.48%	62,11,97,910	56.48%
Adani Tradeline LLP (Formerly known as Parsa Kente Rail Infra LLP)	9,94,91,719	9.05%	9,94,91,719	9.05%
Total	**72,06,89,629**	**65.53%**	**72,06,89,629**	**65.53%**

d. Details of Shareholding of Promoters

Particulars	No. of shares	% of total shares	% Change during the year	Remark if change is more than 25%
As at 31st March, 2022				
Shri Gautambhai Shantilal Adani	1	0.00%	0.00%	
Shri Rajeshbhai Shantilal Adani	1	0.00%	0.00%	
Shri Gautam S. Adani / Shri Rajesh S. Adani (on behalf of S. B. Adani Family Trust)	62,11,97,910	56.48%	0.00%	
Shri Gautam S. Adani / Smt. Priti G. Adani (on behalf of Gautam S. Adani Family Trust)	88,36,750	0.80%	0.00%	
Adani Tradeline LLP	9,94,91,719	9.05%	0.00%	
Afro Asia Trade and Investments Limited	3,02,49,700	2.75%	0.00%	
Fortitude Trade and Investment Limited	3,02,49,700	2.75%	0.00%	
Worldwide Emerging Market Holding Limited	3,02,49,700	2.75%	0.00%	
Flourishing Trade And Investment Limited	36,88,000	0.34%	0.00%	
	82,39,63,481	**74.92%**	**0.00%**	
As at 31st March, 2021				
Shri Gautambhai Shantilal Adani	1	0.00%	0.00%	
Shri Rajeshbhai Shantilal Adani	1	0.00%	0.00%	
Shri Gautam S. Adani / Shri Rajesh S. Adani (on behalf of S. B. Adani Family Trust)	62,11,97,910	56.48%	0.00%	
Shri Gautam S. Adani / Smt. Priti G. Adani (on behalf of Gautam S. Adani Family Trust)	88,36,750	0.80%	0.00%	
Adani Tradeline LLP	9,94,91,719	9.05%	0.00%	
Afro Asia Trade and Investments Limited	3,02,49,700	2.75%	0.00%	
Fortitude Trade and Investment Limited	3,02,49,700	2.75%	0.00%	
Worldwide Emerging Market Holding Limited	3,02,49,700	2.75%	0.00%	
Flourishing Trade And Investment Limited	36,88,000	0.34%	0.00%	
	82,39,63,481	**74.92%**	**0.00%**	

20 Unsecured Perpetual Equity Instrument

	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)
Opening Balance	2,829.70	3,279.42
Add: Availed during the year	-	-
(Less): Repaid during the year	-	(680.00)
Add: Distribution on Unsecured Perpetual Equity Instrument (Net of Tax)	225.95	230.28
Closing Balance	**3,055.65**	**2,829.70**

Adani Transmission Limited (Parent Company) has issued Unsecured Perpetual Equity Instrument (the "Instrument") to Adani Infra (India) Limited. These Instrument are perpetual in nature with no maturity or redemption and are callable only at the option of the Parent company. The distribution on part of these Instrument i.e ₹ 2,196.11 Crores (As at 31.03.2021: ₹ 2,129.70 Crores) outstanding as at March 31, 2022 are fixed at coupon rate of 11.80% p.a. compounded annually and for remaining amount i.e. ₹ 859.54 Crores (As at 31.03.2021: ₹ 700 Crores) outstanding as at March 31, 2022 are without any coupon rate. The obligation of the Parent company to repay the outstanding amounts shall rank on a parri passu basis with the obligations of the Parent company to make payments/distributions in relation to any parity securities issued/ to be issued by the Parent company and be senior to the obligations of the Parent company to make payments/distributions in relation to preference and equity share capital and any other securities at par with preference and equity share capital of the Parent Company.
As this Instrument are perpetual in nature and ranked senior only to the Share Capital of the Parent Company and the Parent company does not have any redemption obligation, these are considered to be in the nature of equity instruments.

21 Other Equity

		As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)
a. Capital Reserve (Refer note (i) below)			
Opening Balance		208.87	208.87
Add : Addition during the year		(0.00)	-
Closing Balance	**Total (a)**	**208.87**	**208.87**
b. Effective portion of cashflow Hedge (Refer note (ii) below)			
Opening Balance		(182.75)	(33.41)
Effective portion of cash flow hedge for the year		(227.11)	(149.34)
Closing Balance	**Total (b)**	**(409.86)**	**(182.75)**
c. General Reserve (Refer note (iii) below)			
Opening Balance		1,207.95	1,220.60
Less: Appropriation to Self Insurance Reserve		(6.00)	(12.65)
Closing Balance	**Total (c)**	**1,201.95**	**1,207.95**
d. Capital Redemption Reserve (Refer note (Iv) below)			
Opening Balance		2,436.53	1,891.88
Add: Transfer from Retained Earning on redemption of Optionally Convertible Redeemable Preference Shares		-	544.65
Closing Balance	**Total (d)**	**2,436.53**	**2,436.53**
e. Debenture Redemption Reserve (Refer note (v) below)			
Opening Balance		12.28	13.44
Transfer from/(to) Retained Earning		(1.13)	(1.16)
Closing Balance	**Total (e)**	**11.15**	**12.28**
f. Contingency Reserve (Refer note (vi) below)			
Opening Balance		284.91	240.54
Addition during the year		49.98	44.37
Closing Balance	**Total (f)**	**334.89**	**284.91**
g. Self Insurance Reserve (Refer note (vii) below)			
Opening Balance		**12.65**	-
Addition during the year		6.00	12.65
Closing Balance	**Total (g)**	**18.65**	**12.65**
h. Surplus in the Statement of Profit and Loss (Refer note (viii) below)			
Opening Balance		1,009.33	577.81
Add : Profit for the year		1,204.61	1,224.04
(Less): Other comprehensive income arising from remeasurement of Defined Benefit Plans		9.92	21.31
(Less): Distribution on Unsecured Perpetual Equity Instrument		(226.30)	(231.68)
(Less): Transfer to Contingency reserve		(43.51)	(38.66)
(Less): Transfer to Debenture Redemption Reserve		1.13	1.16
Less: Transfer from Retained Earning to Capital Redemption Reserve (CRR) on redemption of optionally convertible redeemable Preference Shares		-	(544.65)
	Total (h)	**1,955.18**	**1,009.33**
	Total (a+b+c+d+e+f+g+h)	**5,757.36**	**4,989.77**

Notes :

i) It has been created on acquisition of subsidiary companies.

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

iii) It has been created pursuant to the demerger of transmission undertaking of Adani Enterprises Limited into the company. The general reserve is used from time to time to transfer profit from retained earnings for apportion purposes.

Iv) Under the provisions of Section 55 of the Companies Act, 2013 where the redemption of preference shares is out of profits, an amount equal to nominal value of shares redeemed is to be transferred to a reserve called 'capital redemption reserve'

v) The Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the company to create DRR out of profits of the company available for payment of dividend. The DRR is created over the life of debentures out of retained earnings.

vi) As per the provisions of MERC MYT Regulations read with Tariff orders passed by MERC, the Group being a Distribution and Transmission Licensee, makes an appropriation to the Contingency Reserve fund to meet with certain exigencies. Investments in Bonds issued by Government of India and Mutual Funds have been made against such reserve.

vii) The company has decided that insurance of the transmission lines of subsidiary companies would be through the self-insurance to mitigate the loss of assets hence a reserve has been created in current year. The insurance of sub stations of subsidiary companies are covered through insurance companies under all risk policy.

viii) Retained earnings (in the event of availability of profits) represents the amount that can be distributed by the Company as dividends considering the requirements of the Companies' Act, 2013. No dividend are distributed during the year by the Company.

22 Non current Financial Liabilities - Borrowings

	Non-current		Current	
	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)
Secured				
Bonds				
5.20% US private Placement	2,736.12	2,722.83	87.90	84.74
4.25% USD Bonds	3,178.65	3,284.50	229.49	216.84
3.949% USD Bonds	7,512.41	7,235.63	-	-
4.00% USD Bonds	3,748.66	3,606.14	-	-
3.867% Sustainability Linked	2,246.10	-	-	-
Term Loans				
From Banks				
Rupee loan	2,326.15	1,436.30	113.24	803.38
Foreign currency loan	825.41	1,339.64	89.25	5.98
From Financial Institutions	2,382.31	1,813.69	54.36	63.57
Trade Credits & Buyers Credit				
From Banks	394.70	232.25	-	-
Non Convertible Debentures				
7.51% Non Convertible Debenture	99.99	110.86	10.88	11.19
Unsecured				
Loans and advances from related parties	217.40	-	-	-
Shareholders Affiliated Debts	2,106.14	2,026.97	-	-
Total	**27,774.04**	**23,808.81**	**585.12**	**1,185.70**
Amount disclosed under the head "Other current financial liabilities" (Refer Note: 31)	-	-	(585.12)	(1,185.70)
Net amount	**27,774.04**	**23,808.81**	**-**	**-**

Notes

Borrowings	Security	Terms of Repayment
4.25% USD Bonds	4.00% USD Bonds, 4.25% USD Bonds and Non-Convertible Debentures are secured by way of first ranking pari passu charge in favour of the Security trustee (for the benefit of the Bond/Debenture holders): (a) Mortgage of land situated at Sanand. (b) Hypothecation of all the assets (movable and immovable) including current assets of the Company. (c) Pledge over 100% equity shares of Adani Transmission (India) Limited (ATIL) and Maharashtra Eastern Grid Power Transmission Company Limited (MEGPTCL), both are wholly owned subsidiaries of the company. (d) accounts and receivables of ATIL and MEGPTCL and also the operating cash flows, book debts, loans and advances, commissions, dividends, interest income, revenues present and future of ATIL and MEGPTCL. (e) Assignment by way of security over loans given to ATIL & MEGPTCL. All its rights under the inter entity loan agreements entered or to be entered into between the Issuer, ATIL and MEGPTCL (the "Inter Entity Loans")	USD Bonds aggregating to ₹ 3,429.61 Crores (31st March, 2021- ₹ 3,527.56 Crores) are redeemable by Half yearly payment starting from May 2020 to May 2036.
4.00% USD Bonds		USD Bonds aggregating to ₹ 3,789.63 Crores (31st March, 2021- ₹ 3,655.50 Crores) are redeemable by bullet payment in FY 2026.
3.949% USD Bonds	a) a first pari passu mortgage over certain Identified Immovable Properties; b) a first pari passu charge on the movable assets of the Project (both present and future); c) a first pari passu charge on all book debts, operating cash flows, receivables (excluding Past Period Regulatory Assets, monies in the Debenture Liquidity Account and the post distribution cash flows), commissions or revenues whatsoever arising out of the Project (both present and future); d) a first pari passu charge on the Accounts under the Project Accounts Deed (except the Excluded Accounts (which means the AEML PPRA Account, the Debenture Liquidity Account, each of the AEML Post Distribution Cash Flow Accounts; any accounts opened for the purpose of managing any Excluded Cash Flows; and the AEML Distributions Account)) and amounts lying to the credit of such Accounts (both present and future); e) a first pari passu assignment in relation to Transmission License and Distribution License, subject to approval from the MERC; f) a pledge over 100% of the entire paid up equity and preference share capital of the Company; g) a non-disposal undertaking over immovable properties other than certain identified immoveable properties; h) a non-disposal undertaking over the immoveable and moveable assets (including all book debts, operating cash flows, receivables, commissions or revenues whatsoever) of the Service Company (both present and future); and i) a non-disposal undertaking over 100% of the equity and preference share capital of the Service Company. In addition to the aforesaid, the Collateral shall also include such security interest as may be required to be created by other group entities of the Issuer in the future, and such collateral may be shared in the same manner as aforementioned with other lenders of the Company, and such future obligors. **Ranking of Security** The Collateral will be a first charge ranking pari passu among the debt security holders, without any preference or priority and shall rank pari passu with all the senior secured debt of the Company in accordance with the Senior Secured Note Documents.	3.949% Bond amounting to ₹ 7,364.53 Crores (31st March, 2021 ₹ 7,235.63 Crores) is repayable by way of bullet payment in February 2030 with an obligation to prepay the debt on occurrence of certain events. The Group can voluntarily prepay the Bond on payment of premium.
Term Loans from Banks - 2.99938% (3.9466%)		During the year, Group prepaid term loans from Banks. As at 31 March 2021, the terms of repayment were as given below: By way of bullet payment with an obligation to prepay the debt on occurrence of certain events. Group can voluntarily prepay the Term Loan either in full or part. The Future annual repayment obligations on principal amount are as under:- a) 1 Installment amounting to ₹ 511.77 crores in FY23. b) 2 Installment of amounting to ₹ 767.65 crores in FY23. Impact of recognition of borrowings at amortised cost using effective interest method was ₹ (30.65) crores.
Sustainability Linked Notes - 3.87% (and related hedging instruments)		By way of bullet payment in July 2031 with an obligation to prepay the debt on occurrence of certain events. The Company can voluntarily prepay the Bond on payment of premium.
Buyers credit		Buyers credit aggregating ₹ Nil, (31st March, 2021- ₹ 92.35 Crores) from banks at the rate of interest ranges from 1.55 % to 5.7 %
8.50% Rupee Term Loans from Banks		During the year, Group prepaid Rupee term loans from Banks in full. As at 31 March 2021, the terms of repayment were : two equal annual instalments of ₹ 33.33 Crores starting from March 2021.

6.365% Shareholders Affiliated Debts	(i) First-ranking fixed charge over all its present and future right, title, benefit and interest in the Excluded Loan Accounts (ii) First-ranking floating charge over all of its present and future right, title, benefit and interest in the equity distribution account	Shareholders Affiliated Debts are repayable commencing from February 2027 through February 2040 with an obligation to prepay the debt on occurrence of certain events. The Company can voluntarily prepay the debt on payment of premium.
Rupee Term Loans aggregating , Foreign Currency Loans, Rupee Term Loan from Financial Institution and Letter of credits/Buyers Credit	Availed by the Group from various banks and financial institutions are secured by a pari passu charge on all present and future movable and immovable assets, receivables, project documentation, cash flows, licences, insurance contracts and approval. Respective companies shares are pledged.	**(A) Letter of credits** (Foreign and Inland) from bank of ₹ 395.64 Crores (31st March, 2021 - ₹ 584.64 Crores) carry interest rates ranging from 4.40 % to 4.87% p.a. The same will be converted in to RTL on the day of maturity or will be repaid. **(B) Rupee term loans** from Banks of ₹ 2,494.89 Crores (31st March, 2021 ₹ 2.196.32 Crores) and Rupee Term Loan from Financial Institution of ₹ 2,449.67 Crores (31st March, 2021 ₹ 1,889.65 Crores) carry interest rates ranging from 7.25% to 10.90%. The loan is repayable at different maturities ending on FY 2050-51. **(C) Foreign Currency loan (ECB Loan) from bank** **(i)** aggregating to ₹ 89.30 Crores (as at 31st March 2021 :- ₹ 97.35 Crores carries an Interest @ Euribor plus 1.85% per annum. The loan is repayable in 19 quarterly instalments commencing from 18th December 2017. **(ii)** aggregating to ₹ 968.50 Crores (As on 31st March 2021 - Nil), having an interest rate of 6 Month Libor (2.50% p.a. Initial Margin + Spread) .The repayment schedule will start from FY 2023-24 with Semi Annually instalment with First Installament due on
5.20% US private Placement	5.20% US private Placement Notes are issued by six (6) transmission companies.The Notes are secured/to be secured by first ranking charge on receivables, on all immovable and movable assets, charge or assignment of rights under Transmission Service Agreement and other project documents, charge or assignment of rights and/or designation of the Security Trustee as loss payee under each insurance contract in respect of Project. The Notes are also secured by way of pledge over 100% of shares of the Seven (7) companies held by Holding Company, i.e. Adani Transmission Limited.	5.20%, 376.40 Million USD Denominated Notes aggregating to ₹ 2,852.83 Crores, (31st March, 2021- ₹ 2,838.13 Crores) which has a semi-annual repayment schedule with first repayment in the month of Sep-2020 and semi-annually then after over the period of its tenor ending March-2050.
Non Convertible Debentures (NCD)	Non Convertible Debentures are secured by having first charge over receivables, immovable and movable assets created out of project on pari passu basis with other secured lenders.	NCD aggregating to ₹ 111.18 Crores (31st March, 2021 - ₹ 122.84 Crores) having an interest rate of 7.51% which is governed by NCD agreement and redeemable in quarterly basis starting from FY 2018-19 to FY 2033-34.
Secured Loan from banks	First charge on receivables and on immovable and movable assets created out of project on paripassu basis.	Working Capital Loan/ bank overdraft aggregating to ₹ 788.01 Crores, (31st March, 2021- ₹ 1,170.96 Crores) from banks at the rate of interest ranges from 1.55% to 8.25 %
Unsecured Loan-from bank	Unsecured Loan	Loan aggregating to ₹ 357.38 crores, (31st March, 2021- ₹ 659.51 crores) from banks at the rate of interest ranges from 5.80% to 6.75 %. The loan is ending on 2022-23.
Unsecured Loan-from related party	Unsecured Loan -Long term	Inter-corporate loan of ₹ 217.40 crores (as at 31st March 2021 :- ₹ Nil)from Related party is unsecured and carries interest at the rate of 11.% p.a. and repayable in single instalment which is due on March 31, 2025.
Unsecured Loan-from related party	Unsecured Loan -Short term	Loan aggregating to ₹ Nil (31st March, 2021- ₹ 350.77) from related party at the rate of interest at 11.80 %

23 Lease Liability Obligation

	Non-Current		Current	
	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)
Lease Liability Obligation	66.12	88.91	21.09	45.07
	66.12	**88.91**	**21.09**	**45.07**

24 Non Current Trade Payable

	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)
(A) total outstanding dues of micro enterprises and small enterprises; and	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	32.22	31.93
Total	**32.22**	**31.93**

25 Non Current Financial Liabilities - Others

	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)
Payable on purchase of Property, Plant and Equipment	268.61	393.34
Derivative instruments designated in hedge accounting relationship	66.02	145.34
Deposits from customer and Other	0.18	-
Total	**334.81**	**538.68**

26 Other Non Current Liabilities

	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)
Deferred Revenue- Service Line Contributions from Consumers	290.25	231.77
Advances from Customer	-	51.12
Total	**290.25**	**282.89**

27 Provisions

	Non-Current		Current	
	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)
Provision for Gratuity (Refer note 55)	177.92	148.35	34.66	32.37
Provision for Compensated Absences	404.82	400.51	32.86	26.50
Provision for Other Employment Benefits	19.08	20.01	3.39	2.98
Provision for Stamp Duty	15.65	15.65	-	-
Total	**617.47**	**584.52**	**70.91**	**61.85**

28 **Deferred Tax Liabilities (net)**

	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)
Deferred Tax Liabilities		
Mark to Market Gain on Mutual Funds	(0.31)	(0.10)
Difference between book base and tax base of property, plant and equipment and SCA	(1,687.63)	(1,434.34)
Deferred Tax Liabilities	**(1,687.94)**	**(1,434.44)**
Deferred Tax Assets		
Provision disallowed (Employee Benefits)	220.69	205.82
Interest on Lease Liabilities	0.13	-
Business Losses	26.93	16.13
Allowance for Doubtful Debts, Deposits, Advances and property tax payable	7.70	5.67
Hedge Reserve	18.03	20.47
Deferred Tax Assets	**273.48**	**248.09**
Deferred Tax Assets/(Liabilities) (net)	**(1,414.46)**	**(1,186.35)**
Deferred Tax Assets/(Liabilities) (net)	1,414.46	1,186.35
Net deferred tax liabilities Total	**1,414.46**	**1,186.35**

Tariff regulations provide for the recovery of Income Tax from the beneficiaries / consumers by way of grossing up the return on equity based on effective tax rate for the financial year. Accordingly, deferred tax liability provided during the year which is fully recoverable from beneficiaries / consumers is disclosed as "deferred assets recoverable / adjustable". The same will be recovered when the related deferred tax liability get converted into current tax.

(a) Movement in deferred tax assets/ (liabilities) (net) for the Financial Year 2021-22

(₹ in Crores)

Particulars	Opening Balance as at 1st April, 2021	Recognised in profit and loss	Acquisitions of subsidiaries	Recognised in OCI	Closing Balance as at 31st March, 2022
Tax effect of items constituting deferred tax liabilities:					
Mark to Market gain on Mutual Funds	(0.10)	(0.21)	-	-	(0.31)
Difference between book base and tax base of property, plant and equipment and SCA	(1,434.34)	(219.45)	(33.84)	-	(1,687.63)
Total	**(1,434.44)**	**(219.66)**	**(33.84)**	**-**	**(1,687.94)**
Tax effect of items constituting deferred tax assets:					
Provision disallowed (Employee Benefits)	205.82	14.87	-	-	220.69
Interest on Lease Liabilities	-	0.13	-	-	0.13
Allowance for Doubtful Debts, Deposits and Advances	5.67	2.03	-	-	7.70
Tax Losses	16.13	10.80	-		26.93
Hedge Reserve	20.47	-	-	(2.44)	18.03
Total	**248.09**	**27.83**	**-**	**(2.44)**	**273.48**
MAT credit entitlement	-	-	-	-	-
Net Deferred Tax Asset / (Liabilities)	**(1,186.35)**	**(191.83)**	**(33.84)**	**(2.44)**	**(1,414.46)**

(b) Movement in deferred tax assets/ (liabilities) (net) for the Financial Year 2020-21

(₹ in Crores)

Particulars	Opening Balance as at 1st April, 2020	Recognised in profit and loss	Acquisitions of subsidiaries	Recognised in OCI	Closing Balance as at 31st March, 2021
Tax effect of items constituting deferred tax Liabilities:					
Mark to Market gain on Mutual Funds	(0.90)	0.80	-	-	(0.10)
Difference between book base and tax base of property, plant and equipments and SCA	(1,069.65)	(369.22)	4.53	-	(1,434.34)
Total	**(1,070.55)**	**(368.42)**	**4.53**	**-**	**(1,434.44)**
Tax effect of items constituting deferred tax assets:					
Provision disallowed (Employee Benefits)	7.00	198.82	-	-	205.82
Interest on Lease Liabilities	0.02	(0.02)	-	-	-
Allowance for Doubtful Debts, Deposits and Advances	-	5.67	-	-	5.67
Tax Losses	20.92	(4.79)	-	-	16.13
Hedge Reserve	2.76	-	-	17.71	20.47
Total	**30.70**	**199.68**	**-**	**17.71**	**248.09**
MAT credit entitlement	68.48	(68.48)	-	-	-
Net Deferred Tax Liabilities	**(971.37)**	**(237.22)**	**4.53**	**17.71**	**(1,186.35)**

Deferred taxes are not provided on the undistributed earnings of subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future.
In respect of above, Deferred tax liabilities have not been recognized on temporary differences amounting to ₹ 1,245.73 crore and ₹ 790.53 crore as at March 31, 2022 and March 31, 2021 respectively.

29 Current Financial Liabilities - Borrowings

	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)
Secured Borrowings		
From Banks		
Cash Credit/ Working Capital Short term Loan/Bank Over Draft	788.01	863.84
From Banks	209.00	-
Buyers credit	0.94	92.35
Total (a)	**997.95**	**956.19**
Unsecured Borrowings		
From Banks	457.47	659.51
From Related Parties	-	350.77
Total (b)	**457.47**	**1,010.28**
Current maturities of long-term borrowings (Secured) (Refer note : 22)	**585.12**	**1,185.70**
Total (a+b)	**2,040.54**	**3,152.17**

(i) For Short Term Loan, Buyers Credit and Working capital loans - Please Refer note 22
(ii) The rate of interest for Secured / Unsecured loans (including Buyers Credit and Working capital loans) from banks ranges - Please Refer Note 22
(iii) The Group has been sanctioned working capital from banks on the basis of security of current assets. The Group in this regard has been duly submitting with all such banks from whom such facilities are taken, the quarterly statements comprising details of said current assets viz. raw material, stores and spares, finished goods, advances for power purchases and coal, book debts (including unbilled revenue) and other receivable (<90 days) reduced by relevant trade payables (i.e net of provisions, regulatory payables and other payables). The said quarterly statements are in agreement with the unaudited books of account of the Group of the respective quarters and there are no material discrepancies.

30 Trade Payables

	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)
Trade Payables		
Micro and Small Enterprises	26.37	29.69
Other than Micro and Small Enterprises	1,581.54	1,211.32
Total	**1,607.91**	**1,241.01**

As at 31st March, 2022

Particulars	Outstanding for following periods from due date of receipt					Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	More than 3 years	
(a) MSME	11.06	9.50	2.10	2.46	1.25	**26.37**
(b) Others	212.30	1,119.78	130.48	49.58	9.55	**1,521.69**
(c) Disputed dues – MSME	-	92.07	-	-	-	**92.07**
(d) Disputed dues - Others	-	-	-	-	-	-
Total	**223.36**	**1,221.35**	**132.58**	**52.04**	**10.80**	**1,640.13**

As at 31st March, 2021

Particulars	Outstanding for following periods from due date of receipt					Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	More than 3 years	
(a) MSME	18.66	8.72	1.56	0.43	0.32	**29.69**
(b) Others	77.85	834.00	264.25	23.66	43.49	**1,243.25**
(c) Disputed dues – MSME	-	-	-	-	-	-
(d) Disputed dues - Others	-	-	-	-	-	-
Total	**96.51**	**842.72**	**265.81**	**24.09**	**43.81**	**1,272.94**

Note : Above ageing includes Long term and Short term Trade payable.

31 Current Financial Liabilities - Others

	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)
Interest accrued but not due on borrowings	212.03	196.78
Payable on purchase of Property, Plant and Equipment	644.82	765.25
Derivative Instruments designated in hedge accounting relationship	86.44	163.82
Security Deposits from Consumers, Customers & Vendors	494.24	486.82
Other Payables	-	6.53
Refundable to customers on truing up	118.76	-
Total	**1,556.29**	**1,619.20**

32 Other Current Liabilities

	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)
Statutory liabilities	242.30	191.22
Advance from Customers	90.51	71.57
Other Payables	3.22	13.27
Deferred Revenue - Service Line Contributions from Consumers	11.12	9.78
Other Advances	0.45	5.45
Total	**347.60**	**291.29**

33 Current Tax Liabilities (Net)

	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)
Current Tax Liabilities (Net)	12.34	6.48
Total	**12.34**	**6.48**

34	Revenue from Operations - From Generation, Transmission and Distribution Business		For the year ended 31st March, 2022 (₹ in Crores)	For the year ended 31st March, 2021 (₹ in Crores)
a)	**Income from sale of Power and Transmission Charges**			
	Income from sale of Power and Transmission Charges (net) (refer note 59)		9,996.36	8,823.91
	Less - Tax on Sales of Electricity		244.85	216.17
	Income under Service Concession Arrangements (SCA)		141.94	149.28
		Total (a)	**10,138.30**	**8,973.19**
b)	**Other Operating Revenue**			
	Street Light Maintenance Charges		141.77	101.83
	Cross subsidy Surcharge		65.97	52.40
	Sale of Coal Rejects / Fly Ash		16.59	8.94
	Amortisation of Service Line Contribution		11.05	9.22
	Others		61.93	24.12
		Total (b)	**297.31**	**196.51**
		Total (a+b)	**10,435.61**	**9,169.70**

35	Revenue from Operations - From Trading Business		For the year ended 31st March, 2022 (₹ in Crores)	For the year ended 31st March, 2021 (₹ in Crores)
	Sale of Traded Goods		821.91	756.63
		Total	**821.91**	**756.63**

36	Other Income		For the year ended 31st March, 2022 (₹ in Crores)	For the year ended 31st March, 2021 (₹ in Crores)
	Interest Income			
	Bank		181.39	173.99
	Others (Including Related Party ₹ 183.81 crores (previous year ₹ 162.75 Crores)		327.60	292.96
	Gain on Sale/Fair Value of Current Investments measured at FVTPL		10.12	28.89
	Gain on Sale/Fair Value of Current Investments measured at FVTPL - Contingency Reserve Fund		-	17.11
	Sale of Scrap		12.80	11.16
	Bad debt recovery		4.95	3.00
	Unclaimed liabilities / Excess provision written back		0.80	2.11
	Sundry creditors written back		57.41	-
	Miscellaneous Income		8.88	3.38
		Total	**603.95**	**532.60**

37	Purchase of Stock - in - Trade		For the year ended 31st March, 2022 (₹ in Crores)	For the year ended 31st March, 2021 (₹ in Crores)
	Purchase of Stock - in - Trade		821.23	755.89
		Total	**821.23**	**755.89**

38	Employee Benefits Expenses		For the year ended 31st March, 2022 (₹ in Crores)	For the year ended 31st March, 2021 (₹ in Crores)
	Salaries, Wages and Bonus		664.04	728.81
	Contribution to provident fund and other funds		68.86	63.06
	Contribution to Gratuity fund		49.72	47.55
	Staff Welfare Expenses		102.45	91.34
		Total	**885.07**	**930.76**

39	Finance costs		For the year ended 31st March, 2022 (₹ in Crores)	For the year ended 31st March, 2021 (₹ in Crores)
	Interest on Loans & Debentures		1,212.18	1,083.45
	Interest on Trade Credits		108.62	50.50
	Interest on Lease Obligation		11.20	12.07
	Bank Charges & Other Borrowing Costs		21.03	15.42
	Security Deposits From Consumer at amortised cost		-	-
	Interest - Hedging Cost		859.61	746.94
	Foreign Exchange Fluctuation Gain(net)-Borrowings (Refer below note 1)		152.31	208.61
		Total	**2,364.95**	**2,116.99**

Note 1 : Including Mark to Market gain of ₹ 608.01 Crores (P.Y. ₹ 833.74 Crores) on Derivative Instruments designated in hedge accounting relationship.

40 Other Expenses

	For the year ended 31st March, 2022 (₹ in Crores)	For the year ended 31st March, 2021 (₹ in Crores)
Stores and Spares	60.99	58.18
Transmission Charges	439.74	468.52
Repairs and Maintenance - Plant and Equipment	418.37	278.12
Repairs and Maintenance -Building	20.31	17.88
Repairs and Maintenance - Others	105.04	163.37
Short Term Lease Rental (Refer note 44)	17.15	15.26
Rates and Taxes	20.07	21.17
Legal & Professional Expenses	200.36	152.62
Payment to Auditors (including component auditors)	2.88	2.57
Travelling & Conveyance Expenses	34.01	35.93
Insurance Expenses	15.61	28.36
Bad Debt Written Off	18.31	27.14
Foreign Exchange Fluctuation Loss	1.00	-
Corporate Social Responsibility expenses	23.14	25.99
Security Charges	34.86	35.44
Loss on sale/discard of Property, Plant and Equipment	0.05	-
Miscellaneous Expenses	88.29	71.70
Total	**1,500.18**	**1,402.25**

41 Income Tax

	For the year ended 31st March, 2022 (₹ in Crores)	For the year ended 31st March, 2021 (₹ in Crores)
Current Tax :		
In respect of current year	243.71	233.01
In respect of Previous years	0.52	(46.00)
Deferred Tax	191.83	237.22
Total	**436.06**	**424.23**

Tax recognised in other comprehensive income	For the year ended 31st March, 2022 (₹ in Crores)	For the year ended 31st March, 2021 (₹ in Crores)
Remeasurement of Defined Benefit Plans		
Total income tax recognised in other comprehensive income	(2.89)	(6.03)
Effective portion of gains and losses on designated portion of hedging instruments in a cash flow hedge		
Tax relating to items that will be reclassified to Profit or Loss	(2.44)	17.71
Total	**(5.33)**	**11.68**

Accounting profit before tax	1,700.49	1,619.90
Income tax expense at tax rates applicable to individual entities	565.40	545.80
Tax Effect of :		
Income and Expenses not allowed under Income Tax		
i) Differences in respect of Distribution on Perpetual Equity Instrument	(56.95)	(58.31)
ii) Current year Losses for which no Deferred Tax Asset is created	72.67	63.41
iii) Adjustments in respect of current income tax of previous year (due to transition to new tax regime)	5.11	(109.54)
iv) Non deductible Expenses	15.39	-
v) Effect of change in tax rate	-	14.41
vi) MAT Credit not recognised	225.38	221.06
vii) 80IA claims	(418.45)	(258.36)
viii) Others (Includes Tax at different rate)	27.51	5.76
Gross Tax	**436.06**	**424.23**
Tax provisions :		
Current Tax: In respect of current year	243.71	233.01
Current Tax: In respect of Earlier Period	0.52	(46.00)
Net DTL / (DTA) recognised during the year	193.76	168.74
MAT Credit entitlement	(1.93)	68.48
Income tax recognised in statement of profit and loss at effective rate	**436.06**	**424.23**

Unrecognised deductible temporary differences, unused tax losses and unused tax credits

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following are Expiry of unrecognised deferred tax assets is as detailed below :

(₹ in Crores)

As at 31st March, 2022	Business Losses	Unabsorbed Depreciation	Mat Credit
Unrecognised deferred tax assets			
Within One Year	-	-	-
Greater than one year, less than five years	392.42	-	-
Greater than five years	932.40	-	1,343.02
No expiry date	-	62.65	-
Total	**1,324.82**	**62.65**	**1,343.02**

(₹ in Crores)

As at 31st March, 2021	Business Losses	Unabsorbed Depreciation	Mat Credit
Unrecognised deferred tax assets			
Within One Year	-	-	-
Greater than one year, less than five years	137.22	-	-
Greater than five years	863.19	-	1,102.44
No expiry date	-	118.67	-
Total	**1,000.41**	**118.67**	**1,102.44**

42 Earnings per share (EPS)		For the year ended 31st March, 2022	For the year ended 31st March, 2021
A After net Movement in Regulatory Deferral Balance			
Profit after tax	(₹ in Crores)	1,204.61	1,224.04
Less: Distribution on Unsecured perpetual Equity Instrument	(₹ in Crores)	(226.30)	(231.68)
Net Profit attributable to Equity Shareholders including Regulatory income/(expense)	(₹ in Crores)	**978.31**	**992.36**
Weighted average number of equity shares outstanding during the year	No	1,09,98,10,083	1,09,98,10,083
Nominal Value of equity share	₹	10	10
Basic / Diluted Earnings per Equity Share (Face Value of ₹ 10 each) after net Movement in Regulatory Deferral Balance	₹	**8.90**	**9.02**
B Before net Movement in Regulatory Deferral Balance			
Profit after tax	(₹ in Crores)	1,204.61	1,224.04
Less: Distribution on Unsecured perpetual Equity Instrument	(₹ in Crores)	(226.30)	(231.68)
Add/(Less): Regulatory Income / (expense) (net)	(₹ in Crores)	(421.86)	(360.26)
Net Profit attributable to Equity Shareholders excluding Regulatory income/(expense)	(₹ in Crores)	**556.45**	**632.10**
Weighted average number of equity shares outstanding during the year	No	1,09,98,10,083	1,09,98,10,083
Nominal Value of equity share	₹	10	10
Basic / Diluted Earnings per Equity Share (Face Value of ₹ 10 each) before net Movement in Regulatory Deferral Balance	₹	**5.06**	**5.75**

43 Contingent liabilities and Commitments	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)
(i) Contingent liabilities :		
(a) Direct tax	0.91	0.92
(b) Vat and Entry tax	11.94	14.40
(c) Demand disputed by the Group relating to Service tax on street light Maintenance, wheeling charges and cross subsidy surcharges - (Refer note 1)	353.55	353.55
(d) Claims raised by the Government authorities towards unearned income arising on alleged transfer of certain land parcels.(Refer Note 1)	127.65	127.65
(e) 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 1)	1,381.28	1,381.28
(f) Way Leave fees claims disputed by the Group relating to rates charged (Refer Note 1)	28.43	28.43
(g) Other claims against the Group not acknowledged as debts. (Refer Note 1)	36.02	36.02
(h) Claims pertaining to interest in respect of certain regulatory Liabilities -(Refer Note 1)	@@	@@
(i)Liability in respect of disposal of bottom Ash	@@	@@
Total	**1,939.78**	**1,942.25**

@@ Amount not determinable

1 In terms of the Share Purchase Agreement entered into by the Group with RINFRA, in the event the above matters are decided against the AEML and are not recoverable from the consumers, the same would be recovered from RINFRA.

2 The above Contingent Liabilities to the extent pertaining to Regulated Business having cost plus model, which on unfavourable outcome are recoverable from consumers subject to MERC/CERC approval.

3 Amounts in respect of employee related claims/disputes, consumer related litigation, regulatory matters is not ascertainable.

4 Future cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.

5 Performance bank guarantee given by the Parent Company on behalf of Subsidiary companies, ₹ 281.04 Crores (Previous year ₹ 361.79 Crores) against which the subsidiary companies have taken counter guarantees from their respective EPC contractors.

The Group, in respect of the above mentioned Contingent Liabilities has assessed that it is only possible but not probable that outflow of economic resources will be required.

(ii) Commitments :	As at 31st March, 2022 (₹ in Crores)	As at 31st March, 2021 (₹ in Crores)
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advance)	1,777.55	2,413.43
	1,777.55	**2,413.43**

(iii) **Other Commitments:**
In terms of the MERC renewable purchase obligation (RPO) regulations AEML is required to procure on an annual basis a certain quantum of power generated from renewable sources , as at 31 March, 2022 AEML has an cumulative outstanding commitment to procure renewable power of 5038 Mu's (31 March, 2021 - 4256 Mu's)

AEML to meet its past and future RPO commitment, has entered into through a competitive bid, a long term 25 years PPA of 700 MW with a group entity (Adani Hybrid Energy Jaisalmer Four Limited) to purchase 700 MW of Wind Solar Hybrid Renewable Power at ₹ 3.24 per unit. AEML has purchased 292.95 Mus of Solar Hybrid from Adani Hybrid Energy Jaisalmer Four Limited during the year ended 31 March, 2022.

AEML in its MYT petition had requested MERC to allow it to carry forward its unmet RPO obligation to the next control period , so as to allow it to fulfil its past obligation from the above arrangement entered into. MERC has directed AEML to file a separate petition in respect of the same wherein appropriate view would be taken. The management is of the view that MERC would approve the above request and there would be no adverse financial implications of the non-compliance by AEML of its past RPO obligations.

44 Leases

(i) Disclosure under Ind AS 116 Leases:

(a) The following is the movement in Lease liabilities during the year ended 31st March, 2022

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening Balance	133.98	145.35
Lease Liabilities on account of Leases entered / terminated during the year	(26.71)	11.75
Finance Costs incurred during the year	11.20	12.07
Net Payments of Lease Liabilities	(31.26)	(35.19)
Closing Balance (refer note 23)	**87.21**	**133.98**

(b) The Group's significant leasing arrangements, other than lease hold land, are in respect of office premises, residential premises, warehouses and cash collection centres, taken on lease. The arrangements range between 11 months to 5 years generally and are usually renewable by mutual consent on mutually agreeable terms. Under these arrangements, generally refundable interest free deposits have been given. The Group has not entered into any material financial lease.

(c) Leasing arrangements with respect to land range between 20 years to 99 years generally.The lease agreement is of fixed rate and non-cancellable. There is no contingent rent, no sub-leases and no restrictions imposed by the lease arrangements.

(d) The expense relating to payments not included in the measurement of the lease liability and recognised as expenses in the statement of profit and loss during the year is as follows :

Low Value leases - Immaterial

Short-term leases - ₹ 17.15 Crores (31 March, 2021 ₹ 15.26 Crores)

(e) The Group had a 25 year long term Power Purchase Agreement (PPA) with Vidharbha Industries Power Limited (VIPL), wherein the Group has committed to purchase the entire output generated from VIPL's generating station located at Butibori. In terms of the PPA, the Group subject to a minimum guaranteed plant availability (determined on a yearly basis) is liable to pay subject to MERC approval a fixed monthly capacity charge and a variable charge towards the cost of fuel.VIPL was obligated to make the plant available for generation for a minimum period of time (determined on a yearly basis) and the option as regards the timing of availability was at the discretion of VIPL.

The Group on assessment of the above arrangement has concluded, that considering the Group does not have the right to direct the use of the asset , the above arrangement does not qualify to be lease under IND AS 116.

During FY 2019-20, the Group had terminated the above PPA due to non-performance of obligations under the PPA by VIPL, such termination has been upheld by MERC / Appellate Tribunal of Electricity ("ATE"). VIPL has filed an appeal before the Hon'able Supreme Court against the said order issued by the ATE. The proceedings are ongoing with the Hon'ble Supreme Court.

45 Related Party Disclosure

Name of related parties & description of relationship

(A) Ultimate Controlling Entity S. B. Adani Family Trust (SBAFT)

(B) Key Management Personnel:

Mr. Gautam S. Adani, Chairman
Mr. Rajesh S. Adani, Director
Mr. Anil Sardana, Managing Director and Chief Executive Officer
Ms. Meera Shankar - Non Executive Director
Ms. Lisa Caroline Maccallum - Non Executive Director (from 30th November, 2021)
Dr. Ravindra H. Dholakia - Non Executive Director
Mr. K. Jairaj - Non Executive Director
Mr. Kaushal Shah, Chief Financial Officer (Upto 2nd February, 2021)
Mr. Rohit Soni - Chief Financial Officer (from 6th September, 2021)
Mr. Jaladhi Shukla, Company Secretary

(C) Enterprises over which (A) or (B) above have significant influence of Ultimate Controlling Entity. :

Adani Infra (India) Limited
Adani Power (Mundra) Limited
Adani Power Maharashtra Limited
Adani Enterprises Limited
Adani Power Limited
Adani Ports and Special Economic Zone Limited
Mundra Solar PV Limited
Karnavati Aviation Private Limited
Adani Foundation
Belvedere Golf and Country Club Private Limited
Adani Township & Real Estate Company Private Limited
Adani Institute for Education and Research
Adani Infrastructure Management Services Limited
Adani Properties Private Limited
Sunbourne Developers Private Limited
Adani Power Rajasthan Limited
Udupi Power Corporation Limited
Adani Green Energy Limited
Adani Total Gas Limited
Adani Green Energy (Tamil Nadu) Limited
Kamuthi Solar Power Limited
AEML Gratuity Fund
AEML Superannuation Fund
Adani Green Energy Six Limited
Adani Renewable Energy Park Rajasthan Limited
Adani Ahmedabad International Airport Limited
Raigarh Energy Generation Limited
Adani Krishnapatnam Port Limited
Adani Gas Limited
Adani Airport Holdings Limited
Adani Green Energy (UP) Limited
Adani Hospitals Mundra Private Limited
Mundra Sez Textile And Apparel Park Private Limited
Vishakha Renewable Private Limited
Adani Hybrid Energy Jaisalmer Four Limited
Superheights Infraspaces Private Limited
Mumbai International Airport Limited
Ahmedabad International Airport Limited
Mangalore International Airport Limited
Valuable Properties Private Limited
Adani Mundra Sez Infrastructure Private Limited

Enterprises having significant influence of Ultimate Controlling Entity, the names and the nature of relationships is disclosed only when the transactions are entered into by the Company with the related parties during the existence of the related party relationship.

(₹ in Crores)

Nature of Transactions	With Significant Influence of Ultimate Controlling Entity		With Key Managerial Personnel	
For the Year Ended	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Interest Expenses	21.58	6.03	-	-
Interest Income	183.81	162.75	-	-
Distribution on Perpetual Equity Instrument (Refer Note: 1)	226.30	231.67	-	-
Purchase of Goods	-	11.40	-	-
Purchase of Inventory	16.67	0.61	-	-
Purchase of Power (net of discount)	1,378.28	360.70	-	-
Advance paid towards Purchase of property and Equipment	-	0.47	-	-
Towards acquisition of leasehold land	510.00	-		
Advance paid towards Purchase of property - Received back	271.00	-	-	-
Sale of Inventory	0.03	0.82	-	-
Purchase of Investment	116.27	-	-	-
Rent Expense	3.68	3.03	-	-
Loan Taken	3,472.72	785.34	-	-
Loan given	767.40	1,467.51	-	-
Loan Repaid	3,615.28	434.58	-	-
Loan Received back	707.80	2,047.51	-	-

(₹ in Crores)

Nature of Transactions	With Significant Influence of Ultimate Controlling Entity		With Key Managerial Personnel	
For the Year Ended	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Sale of Goods, Store and spares	-	0.42	-	-
Services Availed and Corporate allocation Including Reimbursement of expenses	109.33	112.59	-	-
Services Income	0.08	0.01	-	-
CSR Expenditure	21.73	11.54	-	-
Advance paid towards Purchase of Power	1,313.31	700.00	-	-
Advance paid towards Purchase of Power - Received back	628.00	250.00		
Earnest Money Deposit (EMD) received	-	6.84	-	-
EMD Given Back	-	6.64	-	-
Contribution to Employee Benefits	7.76	8.87	-	-
Director Sitting Fees	-	-	0.25	0.19
Compensation of Key Management Personnel (Refer Note: 3)				
a) Short-term benefits	-	-	9.89	14.32
b) Post-employment benefits	-	-	0.32	0.31
Unsecured Perpetual Equity Instrument repaid	-	680.00	-	-
O&M Agreement Charge	68.44	52.82	-	-

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

(₹ in Crores)

Closing Balance	With Significant Influence of Ultimate Controlling Entity		With Key Managerial Personnel	
As at	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Balance Payable	514.30	32.63	-	-
Balance Receivable	0.84	550.52	-	-
Loan Payable	217.40	350.77	-	-
Interest accrued but not due	-	5.04	-	-
Interest accrued but not due Receivable	12.03	-	-	-
Deposits Given Balance	0.00	-	-	-
Capital Advance	113.83	112.80	-	-
Loans Receivable	1,099.60	1,040.00	-	-
Land Advance	0.00	0.00	-	-
Unsecured Perpetual Equity Instrument (includes accrued distribution) (Note 2)	3,055.65	2,829.70	-	-

Notes :

1 Accrued on Perpetual Equity, infused by Entity under common control.

2 Long term Financial support by way of perpetual equity instruments from Entity under common control.

3 Short-term benefits of FY 20- 21 Include Performance Incentive for FY 19-20 and 20-21.

46 Fair Value Measurement :

a) The carrying value of financial instruments by categories as of 31st March, 2022 is as follows :

(₹ in Crores)

Particulars	Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Total Carrying value in books	Fair value
Financial Assets					
Investments in Mutual Funds	-	260.53	-	260.53	260.53
Investments in Government securities	-	34.68	265.31	299.99	282.77
Trade Receivables	-	-	1,070.84	1,070.84	1,070.84
Cash and Cash Equivalents	-	-	189.05	189.05	189.05
Bank Balances other than Cash and Cash Equivalents above	-	-	1,303.52	1,303.52	1,303.52
Loans	-	-	1,136.35	1,136.35	1,136.35
Derivative instruments designated in hedge accounting relationship	-	305.44	-	305.44	305.44
Other Financial Assets	-	-	4,292.33	4,292.33	4,292.33
Total	**-**	**600.65**	**8,257.40**	**8,858.05**	**8,840.83**
Financial Liabilities					
Borrowings (Including current maturities and Interest Accrued)	-	-	30,026.61	30,026.61	28,662.19
Derivative instruments designated in hedge accounting relationship	(262.79)	415.25	-	152.46	152.46
Other Financial Liabilities	-	-	1,613.82	1,613.82	1,613.82
Trade Payables	-	-	1,640.13	1,640.13	1,640.13
Total	**(262.79)**	**415.25**	**33,280.56**	**33,433.02**	**32,068.60**

b) The carrying value of financial instruments by categories as of 31st March, 2021 is as follows :

(₹ in Crores)

Particulars	Fair Value through other Comprehensive income	Fair Value through profit or loss	Amortised cost	Total Carrying value in books	Fair value
Financial Assets					
Investments in Mutual Funds	-	174.79	-	174.79	174.79
Investments in Government securities	-	-	267.24	267.24	259.90
Trade Receivables	-	-	1,013.54	1,013.54	1,013.54
Cash and Cash Equivalents	-	-	263.68	263.68	263.68
Bank Balances other than Cash and Cash Equivalents above	-	-	1,026.23	1,026.23	1,026.23
Loans	-	-	1,098.25	1,098.25	1,098.25
Derivative instruments designated in hedge accounting relationship	-	242.61	-	242.61	242.61
Other Financial Assets	-	-	4,062.61	4,062.61	4,062.61
Total	**-**	**417.40**	**7,731.55**	**8,148.95**	**8,141.61**
Financial Liabilities					
Borrowings (Including current maturities and Interest Accrued)	-	-	27,157.76	27,157.76	27,570.57
Derivative instruments designated in hedge accounting relationship	(192.32)	501.48	-	309.16	309.16
Other Financial Liabilities	-	-	1,785.92	1,785.92	1,785.92
Trade Payables	-	-	1,272.94	1,272.94	1,272.94
Total	**(192.32)**	**501.48**	**30,216.62**	**30,525.78**	**30,938.59**

The management assessed that the fair value of cash and cash equivalents, other balance with banks, trade receivables, loans, trade payables, other financial assets and liability approximate their carrying amount largely due to the short term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values.

Fair value of mutual funds are based on the price quotations near the reporting date.

'The fair value of Government Securities have been determined based on the prevailing market rate as on the reporting date
The fair value of loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flow using rates currently available for debt on similar terms, credit risk and remaining maturities.

The Group enters into derivative financial instruments with various counterparties, principally banks and financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying currency. All derivative contracts are fully collateralized, thereby, eliminating both counterparty and the Group's own non-performance risk.

47 Fair Value hierarchy :

(₹ in Crores)

Particulars	31st March, 2022	31st March, 2022	31st March, 2021	31st March, 2021
	Level 1	Level 2	Level 1	Level 2
Assets measured at fair value				
Investments in unquoted Mutual Funds measured at FVTPL	-	260.53	-	174.79
Financial investments - In Tresuary bills at FVTPL	34.68	-	-	-
Asset for which Fair Value are disclosed				
Amortised Cost financial investments:				
- Government Securities	248.09	-	259.90	-
Derivative Instruments designated in hedge accounting relationship				
Derivative Instruments	-	305.44	-	242.61
Total	**282.77**	**565.97**	**259.90**	**417.40**
Derivative Instruments designated in hedge accounting relationship				
Derivative Instruments	-	152.46	-	309.16
Liabilities for which fair values are disclosed				
Borrowings (Including current maturities and Interest Accrued)	15,686.62	12,975.57	14,873.73	12,696.84
Total	**15,686.62**	**13,128.03**	**14,873.73**	**13,006.00**

The fair value of Government Securities have been determined based on the prevailing market rate as on the reporting date
The fair value of Derivative instruments is derived using valuation techniques which include forward pricing and swap models using present value calculations.

The Borrowing includes USD bonds which are listed in Singapore Stock Exchange. The fair value of Bonds have been determined based on the prevailing market rate as on the reporting date. The fair value of rest of the borrowings is equivalent to carrying value.

48 Capital Management

The Group's objectives to manage capital is to safeguard continuity and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Group's overall strategy remains unchanged from previous year.
The Group sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.
The funding requirements are met through a mixture of equity, internal fund generation, borrowings. The Group's policy is to use borrowings to meet anticipated funding requirements.
No changes were made in the objectives, policies or processes for managing capital during the years ended as at 31st March, 2022 and as at 31st March, 2021.

(₹ in Crores)

Particulars	Refer Note	As at 31st March, 2022	As at 31st March, 2021
Total Borrowings (Including Current Maturities of Long Term Debt)	22 & 29	29,814.58	26,960.98
Less: Cash and bank balances	14 & 15	1,492.57	1,289.91
Less: Current Investments	12	296.35	174.79
Net Debt(A)		**28,025.66**	**25,496.28**
Equity Share Capital & Other Equity	19 & 21	6,857.17	6,089.58
Unsecured Perpetual Equity Instrument	20	3,055.65	2,829.70
Total Equity (B)		**9,912.82**	**8,919.28**
Total Equity and Net Debt (C=A+B)		**37,938.48**	**34,415.56**
Gearing Ratio : (A)/(C)		**0.74**	**0.74**

49 Financial Risk Management Objectives

The Group's principal financial liabilities comprises borrowings, trade and other payables, The main purpose of these financial liabilities is to finance the Group's operations/projects .The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.
In the ordinary course of business, the Group is mainly exposed to risks resulting from exchange rate fluctuation (currency risk), interest rate movements (interest rate risk) collectively referred as Market Risk, Credit Risk, Liquidity Risk and other price risks such as equity price risk. The Group's senior management oversees the management of these risks. It manages its exposure to these risks through derivative financial instruments by hedging transactions. It uses derivative instruments such as Principal only Swaps, Interest rate swaps, foreign currency future options and foreign currency forward contract to manage these risks. These derivative instruments reduce the impact of both favorable and unfavorable fluctuations.
The Group's risk management activities are subject to the management, direction and control of Central Treasury Team of the Group under the framework of Risk Management Policy for Currency and Interest rate risk as approved by the Board of Directors of the Group. The Group's central treasury team ensures appropriate financial risk governance framework for the Group through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

The decision of whether and when to execute derivative financial instruments along with its tenure can vary from period to period depending on market conditions and the relative costs of the instruments. The tenure is linked to the timing of the underlying exposure, with the connection between the two being regularly monitored. The Group is exposed to losses in the event of non-performance by the counterparties to the derivative contracts. All derivative contracts are executed with counterparties that, in our judgment, are creditworthy. The outstanding derivatives are reviewed periodically to ensure that there is no inappropriate concentration of outstanding to any particular counterparty.
In the ordinary course of business, the Group is exposed to Market risk, Credit risk, and Liquidity risk.

Market risk

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

Interest rate risk

The Group is exposed to changes in market interest rates due to financing, investing and cash management activities. The Group's exposure to the risk of changes in market interest rates relates primarily to The Group's long-term debt obligations with floating interest rates and period of borrowings. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group enters into interest rate swap contracts or interest rate future contracts to manage its exposure to changes in the underlying benchmark interest rates.

Interest rate sensitivity

The sensitivity analysis below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.
If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Group's profit for the year ended March 31, 2022 would decrease / increase by ₹ 36.51 Crores (previous year ₹ 27.26 crores). This is mainly attributable to interest rates on variable rate borrowings.

The year end balances are not necessarily representative of the average debt outstanding during the year

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities. The Group manages its foreign currency risk by hedging transactions that are expected to realise in future.

a) The Group has taken various derivatives to hedge its foreign exposure. The outstanding position of exposure against variation in interest rates and foreign exchange rate are as under:

Nature	Purpose	As at 31st March, 2022		As at 31st March, 2021	
		₹ in Crores	Foreign Currency (in Million)	₹ in Crores	Foreign Currency (in Million)
(i) Principal only swaps	Hedging of foreign currency borrowings principal liability Bond 846.25 Million USD, USPP 376.40 Million USD (P.Y. Bond 861.25 Million USD, USPP 388.20 Million USD)	9,266.77	USD 1,222.65	9,134.73	USD 1,249.45
(ii) Forward covers	1a.Hedging of foreign currency borrowing principal:- Bond 706.25 Million USD, USPP Nil (P.Y. Bond 421.25 Million USD, USPP Nil Million USD) 1b.Hedging of foreign currency interest liability	5,794.96	USD 764.58	3,520.03	USD 481.47
	2.Hedging of LC, Acceptances, Creditors and firm commitments	-	-	92.35	USD 12.63
(iii) Cross Currency Swaps	Hedging of foreign currency borrowing principal & interest liability Bond 400 Million USD, Term Loan 116.00 Million USD, ECB 10.60 Million EUR (P.Y. Bond 400 Million USD, Term Loan 175 Million USD,ECB 11.35 Million EUR)	4,000.20	USD 516 EUR 10.60	4,301.18	USD 575 EUR 11.35
(iv) Options	Hedging of foreign currency borrowing principal & interest liability 1. Bond 300 Million USD, Share holder affiliated debt 282 Million USD (P.Y. Bond 300 Million USD, Share holder affiliated debt 282 Million)	4,411.12	USD 582	4,255.00	USD 582
(v) Coupon only Swaps	Hedging of foreign currency borrowing interest liability	4,547.55	USD 600	4,386.60	USD 600

Note : Group has executed 4 year cross currency swaps derivative contract of USD 300 mn which will be effective from 22 July 2022 to hedge outstanding Sustainability linked bond of USD 300 mn which is not included in above figures.

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

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	₹ in Crores	Foreign Currency (in Million)	₹ in Crores	Foreign Currency (in Million)
(i) Interest accrued but not due	53.28	USD 7.03	94.75	USD 12.96
(ii) Current financial liabilities	20.69	USD 2.73	-	-
(iii) Import Creditors and Acceptances	110.03 0.03	USD 14.52 EUR 0.00*	10.40 0.01	USD 1.42 EUR 0.00*

** EUR 3115 (EUR 858)*

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

(₹ in Crores)

Particulars	For the Year 2021-22		For the Year 2020-21	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Foreign Currency Sensitivity				
RUPEES / USD - (Increase) / Decrease	(1.63)	1.63	(0.62)	0.62
RUPEES / EUR - (Increase) / Decrease	(0.00)	0.00	(0.00)	0.00

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted the policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial losses from default, and generally does not obtain any collateral or other security on trade receivables.

The carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk. Since the Group is an ISTS licensees, the responsibility for billing and collection on behalf of the Group lies with the CTU/STU. Based on the fact that the collection by CTU/STU is from Designated ISTS Customers (DICs) which in majority of the cases are state government organisations and further based on an analysis of the past trends of recovery, the management is of the view that the entire receivables are fully recoverable. Accordingly, the Group does not recognize any impairment loss on its receivables.

Liquidity risk

The Group monitors its risk of shortage of funds using cash flow forecasting models. These models consider the maturity of its financial investments, committed funding and projected cash flows from operations. The Group's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner and to manage its capital structure. A balance between continuity of funding and flexibility is maintained through the use of various types of borrowings.

The table below analysis derivative and non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in Crores)

As at 31st March, 2022	Less than 1 year	1-5 years	Over 5 years	Total
Borrowings#	4,729.68	11,980.31	26,648.78	43,358.77
Trade Payables	1,607.91	-	32.22	1,640.13
Derivative Liabilities	86.44	66.02	-	152.46
Other financial Liabilities (Including Lease Liability Obligation)	1,490.94	318.00	16.91	1,825.85

(₹ in Crores)

As at 31st March, 2021	Less than 1 year	1-5 years	Over 5 years	Total
Borrowings#	4,637.51	7,927.13	26,166.30	38,730.94
Trade Payables	1,241.01	-	31.93	1,272.94
Derivative Liabilities	163.82	145.34	-	309.16
Other financial Liabilities (Including Lease Liability Obligation)	1,500.45	455.10	27.15	1,982.70

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

Derivative Financial Instrument

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

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

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

The Group enters into derivative financial instruments, such as forward currency contracts, cross currency swaps, options, interest rate futures and interest rate swaps for hedging the liabilities incurred/recorded and accounts for them as cash flow hedges and states them at fair value. The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss. Amounts recognised in OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. These hedges have been effective for the year ended March 31, 2022.

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

(₹ in Crores)

Derivative Financials Instruments	As at 31 March, 2022		As at 31 March, 2021	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedge				
Call Option	58.10	0.00	137.21	87.50
Cross Currency Swaps	47.39	0.00	30.36	5.91
Interest Rate Swaps	-	6.55	-	-
-Coupon Only Swaps	(5.79)	0.00	(3.81)	-
-Forward	0.62	79.89	0.08	85.92
-Principal Only Swaps	205.12	66.02	78.77	129.83
Total	**305.44**	**152.46**	**242.61**	**309.16**

The Group has executed 4 year cross currency Swaps derivative contract of USD 300 mn which will be effective from 22 July 2022 to hedge outstanding Sustainability linked bond of USD 300 mn which are included in above table.

50 Segment information:-Operating Segments

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

i) Transmission
ii) Trading
iii) GTD Business

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

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

Information regarding the company's reportable segments is presented below:

(₹ in Crores)

Particulars	Transmission	Trading	GTD Business	Elimination	Total
1 Revenue					
External Sales	**3,469.33**	**821.91**	**6,966.28**	-	**11,257.52**
	3,122.06	*756.63*	*6,047.64*	-	*9,926.33*
Total Revenue	**3,469.33**	**821.91**	**6,966.28**	-	**11,257.52**
	3,122.06	*756.63*	*6,047.64*	-	*9,926.33*
Results					
Segment Results	**2,428.76**	**0.68**	**1,032.05**	-	**3,461.49**
	2,191.80	*0.74*	*1,011.75*	-	*3,204.29*
Unallocated Corporate Income (Net)					**603.95**
					532.60
Operating Profit					**4,065.44**
					3,736.89
Less: Finance Expense					**2,364.95**
					2,116.99
Profit before tax					**1,700.49**
					1,619.90
Current Taxes					**244.23**
					187.01
Deferred Tax					**220.51**
					143.32
Total Tax					**464.74**
					330.33
Profit after tax					**1,235.75**
					1,289.57
Less: Non-Controlling Interests					**(31.14)**
					(65.53)
Net profit					**1,204.61**
					1,224.04
3 Other Information					
Segment Assets	**23,307.33**	**-**	**18,536.67**	-	**41,844.00**
	20,595.65	-	*17,206.59*	-	*37,802.24*
Unallocated Corporate Assets					***5,620.11***
					5,431.34
Total Assets					**47,464.11**
					43,233.58
Segment Liabilities	**955.63**	**-**	**3,896.11**	-	**4,851.74**
	1,141.40	-	*3,409.57*	-	*4,550.97*
Unallocated Corporate Liabilities					***31,605.87***
					28,659.76
Total liabilities					**36,457.61**
					33,210.73
Depreciation /Amortisation	**773.32**	-	**653.83**	-	**1,427.15**
	684.32	-	644.56	-	*1,328.88*
Non Cash Expenditure other then Depreciation/ Amortisation	**5.12**	-	**18.31**	-	**23.43**
	4.62	-	*22.52*	-	*27.14*
Capital Expenditure	***2,955.43***	-	**1,235.43**	-	**4,190.86**
	2,760.50	-	*1,191.82*	-	*3,952.32*

Previous figures are given in italics

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

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

51 Transaction with Struck Off Companies

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding(₹ In Crores)	Relation with the struck off company, if any, to be disclosed
As at 31 March, 2022			
Payable			
Silent Sentinels Electrical Consultant Pvt Ltd	Purchase of Service	0.01	Vendor
Receivables			
Ashiana Infrahomes Pvt. Ltd.	Recovery towards capital advances	0.33	Vendor
M S Gem Printers Pvt Ltd	Sale of Power	0.13	Consumer
B B Consulting N Eng Pvt Ltd	Sale of Power	0.01	Consumer
Uday Real Tdrs Pvt.Ltd	Sale of Power	0.01	Consumer
Unilink Tel Services (I) Pvt. Ltd.	Sale of Power	0.02	Consumer
Flex Foot Wear India Pvt. Ltd.	Sale of Power	0.01	Consumer
Kool Dring & Pack Private Limited	Sale of Power	0.02	Consumer
SSV Developeres & Indian Holiday Resort Private Limited	Sale of Power	0.10	Consumer
Others - 361 Parties < 50K	Sale of Power	0.09	Consumer

As at 31 March, 2021

Payable			
Silent Sentinels Electrical Consultant Pvt Ltd	Purchase of Service	0.01	Vendor
Receivables			
Ashiana Infrahomes Pvt. Ltd.	Recovery towards capital advances	0.68	Vendor
Bharti Infratel Services Limited	Sale of Power	0.04	Consumer
Interjewel Private Limited	Sale of Power	0.02	Consumer
Kunjan Silks Private Limited	Sale of Power	0.01	Consumer
Gem Printers Private Limited	Sale of Power	0.13	Consumer
B.B.Consulting 'N' Engineering Private Limited	Sale of Power	0.01	Consumer
Uday Realtors Private Limited	Sale of Power	0.01	Consumer
Unilink Tele Services (India) Private Limited	Sale of Power	0.02	Consumer
Navdurga Developments Private Limited	Sale of Power	0.01	Consumer
Flex Foot Wear India P.Ltd.	Sale of Power	0.01	Consumer
SSV Developeres & Indian Holiday Resort Private Limited	Sale of Power	0.11	Consumer
Others - 354 Parties < 50K	Sale of Power	0.09	Consumer

52 The Consolidated financial statements for the year ended 31st March, 2022 are not comparable with the previous year, due to following:

Date of acquisition of Investment in Subsidiaries

Sr. No.	Name of the Entity	For the year ended 31st March, 2022	For the year ended 31st March, 2021
1	Kharghar Vikhroli Transmission Limited (formerly known as Kharghar Vikhroli Transmission Private Limited) (KVTL)		25th June, 2020
2	Alipurduar Transmission Limited		26th November, 2020
3	Warora Kurnool Transmission Limited		31st March, 2021
4	MP Power Transmission Package-II Limited	01st November, 2021	
5	MPSEZ Utilities Limited (formerly known as MPSEZ Utilities Private Limited)	15th December, 2021	
6	Karur Transmission Limited	18th January, 2022	
7	Khavda-Bhuj Transmission Limited	18th January, 2022	

53 Group has entered into transmission agreements in the nature of Service Concession Arrangements (SCA) with Rajasthan Rajya Vidyut Prasaran Nigam Limited (RVPNL) and with Power Grid Corporation of India Limited (PGCIL).

(a) Two agreements for different maintaining different transmission lines with RVPNL (Grantor) is to construct & operate an transmission system comprising:-

(i) A 400 KV Double Circuit transmission line from Suratgarh to Bikaner with a design capacity to transfer electricity equivalent to 1066 MW on Design, Built, Finance, Operate & Transfer (DBFOT) basis having contract for 35 years from the license issued. (ii) A 400 KV Double Circuit transmission Line in Bikaner, Sikar with a design capacity to transfer electricity equivalent to 2400 MW on Design, Built, Finance, Operate & Transfer (DBFOT) basis having contract for 25 years from the license issued.

(b) The agreements with PGCIL (Grantor) is to construct & operate an transmission system comprising a 400 KV Double Circuit transmission line in Pune, Aurangabad, Solapur, Kolhapur, Parli, Karad, Lonikhand, Kalwa, Limbdi, Vadavi, Kansari, Rajgarh and Karamsad with a design capacity to transfer electricity equivalent to 3600 MW on Design, Built, Finance, Operate & Transfer (DBFOT) basis having contract for 25 years. The service concession arrangement provides an option for extension of the concession period. Upon completion of concession period or on termination of agreement, Transmission Lines will vest with the grantor free and clear of all encumbrances. Financial assets is created on the basis of Present values of future Cash Flows. No intangible assets is created for this SCA accounting.

Financial summary of above concession arrangement are given below: **(₹ in Crores)**

Sr.No.	Particulars	Transmission Lines 2021-22	2020-21
1	SCA Revenue Recognised	143.73	150.71
2	Profit for the year	69.32	53.96

54 Additional information of net assets and share in profit or loss contributed by various entities as recognised under Schedule III of the Companies Act, 2013

Sr. No.	Name of the Entity	As % of Consolidated Net Assets as on 31st March 2022	₹ in Crores	As % of Consolidated Profit or Loss for the year ended 31st March 2022	₹ in Crores	As % of Consolidated Other Comprehensive Income for the year ended 31st March 2022	₹ in Crores	As % of Consolidated Total Comprehensive Income for the year ended 31st March 2022	₹ in Crores
1	Adani Transmission Limited	23.88%	3,976.81	-5.18%	(64.61)	47.86%	(120.47)	-18.59%	(185.08)
	Subsidiaries (Indian)								
2	Maharashtra Eastern Grid Power Transmission Company Limited	18.38%	3,060.70	45.15%	563.23	0.17%	(0.43)	56.52%	562.80
3	Adani Transmission (India) Limited	15.05%	2,506.44	22.12%	275.93	0.02%	(0.06)	27.71%	275.87
4	Sipat Transmission Limited	0.67%	110.89	2.42%	30.16	-0.53%	1.34	3.16%	31.50
5	Raipur-Rajnandgaon-Warora Transmission Limited	1.48%	245.77	5.31%	66.30	-1.17%	2.95	6.95%	69.25
6	Chhattisgarh-WR Transmission Limited	1.06%	177.22	4.01%	50.07	-0.85%	2.13	5.24%	52.20
7	Adani Transmission (Rajasthan) Limited	0.15%	25.35	0.50%	6.28	-	(0.00)	0.63%	6.28
8	North Karanpura Transco Limited	0.20%	32.82	0.32%	3.97	0.00%	(0.01)	0.40%	3.96
9	Maru Transmission Service Company Limited	0.14%	23.49	0.16%	2.04	0.00%	(0.01)	0.20%	2.03
10	Aravali Transmission Service Company Limited	0.01%	1.33	0.26%	3.27	0.17%	(0.42)	0.29%	2.85
11	Western Transco Power Limited	1.15%	192.32	1.97%	24.56	0.00%	(0.00)	2.47%	24.56
12	Western Transmission (Gujarat) Limited	0.80%	132.99	1.17%	14.54	0.00%	0.00	1.46%	14.54
13	Hadoti Power Transmission Service limited	0.47%	77.45	1.87%	23.29	-0.14%	0.36	2.37%	23.65
14	Barmer Power Transmission Service limited	0.39%	64.39	1.51%	18.88	-0.10%	0.25	1.92%	19.13
15	Thar Power Transmission Service limited	0.33%	54.71	1.33%	16.58	-0.10%	0.24	1.69%	16.82
16	Fatehgarh-Bhadla Transmission Limited	0.08%	12.75	-1.00%	(12.45)	0.00%	0.00	-1.25%	(12.45)
17	Ghatampur Transmission Limited	1.11%	185.39	1.85%	23.11	0.01%	(0.03)	2.32%	23.08
18	Adani Transmission Bikaner Sikar Private Limited	0.36%	60.16	0.69%	8.59	-	-	0.86%	8.59
19	OBRA-C Badaun Transmission Limited	0.42%	69.81	1.16%	14.48	0.00%	(0.00)	1.45%	14.48
20	Adani Electricity Mumbai Limited	28.19%	4,694.81	9.79%	122.16	54.70%	(137.70)	-1.56%	(15.56)
21	AEML Infrastructure Limited	0.00%	(0.01)	0.00%	(0.00)	-	-	0.00%	(0.00)
22	Bikaner-Khetri Transmission Limited	0.91%	151.23	0.34%	4.25	0.01%	(0.01)	0.43%	4.23
23	WRSS XXI (A) Transco Limited	0.00%	(0.18)	0.02%	0.21	-0.09%	0.24	0.04%	0.45
24	Lakadia Banaskantha Transco Limited	0.00%	(0.42)	0.04%	0.53	-0.02%	0.06	0.06%	0.58
25	Jam Khambaliya Transco Limited	0.12%	20.12	0.00%	0.01	0.00%	0.00	0.00%	0.01
26	Arasan Infra Private Limited	0.00%	(0.33)	0.00%	(0.05)	0.00%	-	-0.01%	(0.05)
27	Sunrays Infra Space Private Limited	-0.01%	(1.15)	-0.06%	(0.78)	0.00%	-	-0.08%	(0.78)
28	Power Distribution Services Limited	0.02%	3.81	0.15%	1.92	0.00%	-	0.19%	1.92
29	Adani Electricity Mumbai Infra Limited	0.63%	104.65	0.00%	(0.00)	0.03%	(0.08)	-	(0.08)
30	Alipurduar Transmission Limited	1.54%	257.92	3.36%	42.04	0.00%	(0.00)	4.22%	42.04
31	Kharghar Vikhroli Transmission Limited (formerly known as Kharghar Vikhroli Transmission Private Limited) (KVTL)	0.00%	(0.82)	0.00%	(0.02)	0.01%	(0.04)	-0.01%	(0.06)
32	Warora Kurnool Transmission Limited	2.08%	345.82	0.19%	2.42	0.01%	(0.01)	0.24%	2.40
33	AEML Seepz Limited	0.00%	0.01	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
34	Adani Trans Step One Limited	0.00%	(0.01)	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
35	MP Power Transmission Package-II Limited	-0.01%	(1.31)	-0.04%	(0.48)	0.00%	-	-0.05%	(0.48)
36	MPSEZ Utilities Limited (formerly known as MPSEZ Utilities private Limited)	0.42%	70.64	0.70%	8.70	0.01%	(0.02)	0.87%	8.68
37	Karur Transmission Limited	0.00%	(0.01)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
38	Khavda-Bhuj Transmission Limited	0.00%	0.00	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
39	ATL HVDC Limited	-0.01%	(1.57)	-0.13%	(1.58)	0.00%	-	-0.16%	(1.58)
	Total	**100%**	**16,653.99**	**100%**	**1,247.51**	**100%**	**(251.73)**	**100%**	**995.74**
	Less: Adjustment of Consolidation		**6,741.17**		**11.74**				**11.74**
	Add: Non Controlling Interest		**1,093.68**		**31.14**		**(34.56)**		**(3.42)**
	Consolidated Net Assets/Profit after tax		**11,006.50**		**1,204.61**		**(217.19)**		**987.42**

55 As per Ind AS 19 "Employee Benefits", the disclosures are given below.

(a) Defined Contribution Plan

(i) Provident fund
(ii) Superannuation fund
(iii) State defined contribution plans
-Employer's contribution to Employees' state insurance
-Employers' Contribution to Employees' Pension Scheme 1995
The Group has recognised the following amounts as expense in the financial statements for the year:

(₹ in Crores)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Contribution to Provident Fund	47.54	41.35
Contribution to Employees Superannuation Fund	7.98	7.98
Contribution to Employees Pension Scheme	6.89	6.90
Total	**62.41**	**56.23**

(b) Defined Benefit Plan

The Group has a defined benefit gratuity plan (funded) and is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed at least five year of service is entitled to gratuity benefits on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India (LIC) in form of a qualifying insurance policy with effect from September 01, 2010 for future payment of gratuity to the employees.

Each year, the management reviews the level of funding in the gratuity fund. Such review includes the asset – liability matching strategy. The management decides its contribution based on the results of this review. The management aims to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

The Group operates a defined benefit plan (the Gratuity plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.
The status of gratuity plan as required under Ind AS-19:

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
i. Reconciliation of Opening and Closing Balances of defined benefit obligation		
Present Value of Defined Benefit Obligations at the beginning of the Year	667.91	654.50
Current Service Cost	38.65	36.85
Interest Cost	45.83	44.71
Re-measurement (or Actuarial) (gain) / loss arising from:		
- Change in demographic assumptions	11.65	6.91
- Change in financials assumptions	22.35	(1.18)
- Experience variance (i.e. Actual experience vs assumptions)	(51.53)	(41.08)
Acquisition Adjustment/Other adjustment	0.42	0.25
Benefits paid	(30.63)	(37.34)
Net Actuarial loss / (gain) Recognised		-
Liabilities Transfer In/Out	(1.39)	4.29
Present Value of Defined Benefit Obligations at the end of the Year	**703.26**	**667.91**
ii. Reconciliation of Opening and Closing Balances of the Fair value of Plan assets		
Fair Value of Plan assets at the beginning of the Year	487.19	491.10
Investment Income	33.45	33.59
Contributions	1.08	0.95
Benefits paid	(30.32)	(37.34)
Return on plan assets, excluding amount recognised in net interest expenses	(1.15)	(1.11)
Planned Asset Acquired on Business Acquisition		-
Acquisition Adjustment/Other adjustment	0.42	-
Fair Value of Plan assets at the end of the Year	**490.67**	**487.19**
iii. Reconciliation of the Present value of defined benefit obligation and Fair value of plan assets		
Present Value of Defined Benefit Obligations at the end of the Year	703.26	667.91
Fair Value of Plan assets at the end of the Year	(490.67)	(487.19)
Net Asset / (Liability) recognized in balance sheet as at the end of the year	**(212.59)**	**(180.72)**
iv. Composition of Plan Assets		
100% of Plan Assets are administered by LIC	-	-
v. Gratuity Cost for the Year		
Current service cost	38.65	36.85
Interest cost	45.83	44.71
Expected return on plan assets	(33.45)	(33.59)
Net Gratuity cost recognised in the statement of Profit and Loss	**51.03**	**47.97**
vi. Other Comprehensive Income		
Actuarial (gains) / losses		
Change in demographic assumptions	11.65	6.91
Change in financial assumptions	22.35	(1.18)
Experience variance (i.e. Actual experiences assumptions)	(51.53)	(41.08)
Return on plan assets, excluding amount recognised in net interest expense	1.15	1.11
Components of defined benefit costs recognised in other comprehensive income	**(16.37)**	**(34.24)**
vii. Actuarial Assumptions		
Discount Rate (per annum)	6.90% to 6.98%	6.7% to 6.84%
Annual Increase in Salary Cost (per annum)	8.00% to 10.25%	8.00% to 9.75%

viii. Asset – Liability Matching Strategies

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk.

However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

(c) Sensitivity analysis

The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

Sensitivity analysis	Change in assumption			Increase in assumption			Decrease in assumption	
Particulars	31st March, 2022	31st March, 2021		31st March, 2022	31st March, 2021		31st March, 2022	31st March, 2021
Discount rate	1.00%	1.00%	Decrease by	84.68	73.20	Increase by	73.38	63.16
Salary Growth Rate	1.00%	1.00%	Increase by	79.11	70.00	Decrease by	73.09	61.52
Attrition Rate	0.50%	0.50%	Decrease by	35.37	14.21	Increase by	32.04	20.04
Mortality Rate	10.00%	10.00%	Increase by	21.12	9.08	Decrease by	21.14	9.09

56 The Group has adopted Ind AS 115 using the cumulative effect method (without practical expedients) with the effect of initially applying this standard recognised at the date of initial application i.e. 1st April, 2018. Accordingly, the comparative information i.e. information for the year ended 31st March 2018, has not been restated. The adoption of the standard did not have any material impact on the financial statements of the Group. Additionally, the disclosure requirements in Ind AS 115 have not generally been applied to comparative information.

Contract balances:
(a) The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers.

(₹ in Crores)

Particulars	**As at 31st March, 2022**	**As at 1st April, 2021**
Trade receivables (Gross) (Refer note 13)	1,082.73	1024.98
(Less): Allowance for Doubtful Debts (Refer note 13)	(11.89)	(11.44)
Trade receivables (Net) (Refer note 13)	1,070.84	1,013.54
Contract assets (Refer note 8 & 17)	1,887.89	1,425.43
Contract liabilities (Refer note 31 & 32)	209.27	71.57

The contract assets primarily relate to the Group right to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the Customer. The contract liabilities primarily relate to the advance consideration received from the customers.

(b) Significant changes in contract assets and liabilities during the period:

(₹ in Crores)

Particulars		**For the year ended 31st March, 2022**	**For the year ended 31st March, 2021**
Opening Balance			
Recoverable from consumers		-	-
Liabilities towards consumers		6.53	28.50
	(A)	**6.53**	**28.50**
Income to be adjusted in future tariff determination in respect of earlier year		-	(9.55)
Income to be adjusted in future tariff determination (Net)		(3.59)	(12.42)
Closing Balance	(B)	**(3.59)**	**(21.97)**
Recoverable from consumers		-	-
Liabilities towards consumers		2.94	6.53
Contract assets reclassified to receivables	(A+B)	**2.94**	**6.53**

Reconciliation the amount of revenue recognised in the statement of profit and loss with the contracted price:

(₹ in Crores)

Particulars	**For the year ended 31st March, 2022**	**For the year ended 31st March, 2021**
Revenue as per contracted price	10,404.85	9,173.68
Adjustments		
Discounts	42.22	37.32
Revenue from contract with customers	**10,362.63**	**9,136.36**

57 Regulatory Deferral Account

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Regulatory Deferral Account - Liability		
Regulatory Liabilities	271.56	271.56
Regulatory Deferral Account - Assets		
Regulatory Assets	1,124.02	439.45
Net Regulatory Assets/(Liabilities)	**852.46**	**167.89**

Rate Regulated Activities

1 As per the Ind AS-114 'Regulatory Deferral Accounts', the business of electricity distribution is a Rate Regulated activity wherein Maharashtra Electricity Regulatory Commission (MERC), the regulator determines Tariff to be charged from consumers based on prevailing regulations in place.

2 MERC Multi Year Tariff Regulations, 2015 (MYT Regulations), is applicable for the period beginning from 1 April, 2016 to 31 March, 2020.

MERC Multi Year Tariff Regulations, 2019 (MYT Regulations), is applicable for the period beginning from 1 April, 2020 to 31 March, 2024. These regulations require MERC to determine tariff in a manner wherein the Company can recover its fixed and variable costs including assured rate of return on approved equity base, from its consumers. The Company determines the Revenue, Regulatory Assets and Liabilities as per the terms and conditions specified in MYT Regulations.

3 Reconciliation of Regulatory Assets/Liabilities of distribution business as per Rate Regulated Activities is as follows:

(₹ in Crores)

S.No.	Particulars	As at 31st March, 2022	As at 31st March, 2021
A	**Opening Regulatory Assets (Net)**	167.89	(256.60)
	Add:		
B	Acquired on Business Combination(Net)	2.10	-
1	For Current Year	682.47	582.81
2	For Earlier Year	-	-
	Total C (1 + 2)	**682.47**	**582.81**
	Less:		
D	Recovered / (refunded) during the year*	-	158.32
E	Net Movement during the year (C - D)	682.47	424.49
F	**Closing Balance (A + B+ E)**	**852.46**	**167.89**

*Includes ₹ 143.98 Crores recovered during FY 2020-2021 on account of final truing up for FY 2017-18 and FY 2018-19

58 (i) Impairment testing of intangible Assets

In accordance with the requirements of Ind AS 36 "Impairment of Assets", AEML has as at 31 March, 2022.tested the Transmission Cash Generating Unit ("TCGU") which includes carrying value of Transmission License (₹ 981.62 crores) having indefinite useful life for impairment. The recoverable amount of the TCGU has been determined applying value in use approach. The value in use of the TCGU has been determined using Discounted Cash Flow Method (DCF).

In deriving the recoverable amount of the TCGU a discount rate (post tax) of 8.75 % (31 March 2021: 8.75%) per annum has been used. In arriving at the recoverable amount of the TCGU , financial projections have been developed for 6 years (31 March 2021: 6 years) and thereafter in perpetuity considering a terminal growth rate of 1.5% (31 March 2021: 2%) 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 2021 - ₹ Nil). Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the fair value of the Transmission License.

The key assumptions used in determining the recoverable amount of TCGU are as follows

Discount Rate: 9.10 % (31 March 2021: 8.75 %) Post-Tax Discount rate has been derived based on current cost of borrowing and equity rate of return in line with the current market expectations

Capital expenditure / Capitalisation: Capital expenditure and capitalisation for 6 years (31 March 2021: 6 years) is estimated based on management projections subject to regulatory approval and thereafter ₹ 500 crores per annum (31 March 2021: ₹ 325 crores per annum)

(ii) Goodwill

(₹ in Crores)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at beginning of the year	592.88	592.09
Arising on account of Business combination	5.41	0.79
Balance at end of the year	**598.29**	**592.88**

Impairment testing of Goodwill

The group tests on a annual basis, goodwill arising on business combination amounting to ₹ 576.02 crores for March, 2022 (₹ 576.02 crores for March 2021) which has been allocated to the respective Cash Generating Unit ("CGU")(ATIL, MEGPTCL and AEML) for impairment. Based on the annual impairment test no provision towards impairment was required necessary.

The recoverable amounts of the CGUs are determined from value-in-use calculations and the projections based on the period of the transmission and distribution licenses (including expected extensions)

The key assumptions for the value-in-use calculations are those regarding discount rates, growth rates, capital expenditure, and expected increase in direct costs . Management estimates discount rates using post-tax rates that reflect current market assessments of the time value of money. The growth rates are based on management's forecasts/ tariff regulations. Changes in direct costs are based on past practices and expectations of future changes in the market.

The Group prepares its forecasts based on the most recent financial budgets approved by management with projected revenue growth rates per respective tariff regulation wherein the revenue is determined considering the parameters/benchmarks laid down in the respective MERC/CERC tariff regulations.

The rates used to discount the forecasts is 8.43% to 12.04% p.a (Post Tax)

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

59 a) During the previous year Maharashtra Eastern Grid Power Transmission Company Limited ("MEGPTCL"), a wholly Owned Subsidiary had received MERC order vide dated 03rd June, 2021 and has given impact to the Hon'ble APTEL Judgment in the matter of Appeal No. 260 of 2016 dated 24th July, 2020, revised the Annual Revenue Requirement (ARR) of MEGPTCL retrospectively effective from 1st April, 2013 and directed MEGPTCL to claim the incremental ARR (including the related carrying cost) during the Mid Term Review (MTR) in FY 2023-24.

Consequent to the above MERC order, during the year ended 31st March, 2022 MEGPTCL has recognized additional revenue from operations of ₹ 303.72 Crores for the period April, 2014 to March, 2021 and recognized ₹ 91.93 Crores for the year ended April, 2021 to March, 2022.

(b) During the year, Central Electricity Regulatory Commission ("CERC") vide it's order dated January 21, 2022, has partly disallowed certain expenses (interest and depreciation) in relation to truing up tariff petition for the control period 2015-19 and tariff determination petition for the control period 2020-24 filed by Adani Transmission (India) Limited ("ATIL"), a wholly owned subsidiary of the Company. The Management has, basis an external legal opinion, assessed that it has reasonably good case on merits in the light of the prevailing Tariff Regulations, settled principles of law as per earlier judicial precedence and, is in the process of preferring an appeal in Appellate Tribunal for Electricity against such CERC order. Having regard to the above, the disallowances aggregating to ₹ 62.79 Crore up to 31st March, 2022 are not reckoned with in the Financial Statement.

60 (A) Non Controlling Interests (NCI)

Summary of financial information for a subsidiary (AEML) that has non-controlling interests that are material to the Group. The amounts disclosed for a subsidiary are before inter-company eliminations.

(₹ in Crores)

Summarised Balance Sheet	**31st March, 2022**	**31st March, 2021**
Total Non-current Assets	17,689.77	16,744.71
Total Current Assets	2,206.70	2,698.13
Regulatory Deferral Account - Assets	1,121.92	439.45
Total Assets	**21,018.39**	**19,882.29**
Non-current Liabilities	13,094.76	11,620.18
Current Liabilities	2,852.62	3,280.20
Regulatory Deferral Account - Liabilities	271.56	271.56
Total Liabilities	**16,218.94**	**15,171.94**
Accumulated NCI	**1,204.66**	**1,182.30**

(₹ in Crores)

Summarised statement of Profit and Loss	**31st March, 2022**	**31st March, 2021**
Profit /(Loss) for the year	122.15	259.17
Other Comprehensive Income / (Loss) for the year	(137.77)	(73.15)
Total Comprehensive Income /(Loss) for the year	(15.62)	186.02
Profit/(Loss) Allocated to NCI	**30.66**	**65.05**
Total Comprehensive Income /(Loss) allocated to NCI	**(3.92)**	**46.69**

(₹ in Crores)

Summarised Cash Flow allocated	**31st March, 2022**	**31st March, 2021**
Net cash from operating activities for the year	1,472.01	1,406.27
Net cash (used in) investing activities for the year	(833.27)	(1,052.61)
Net cash from financing activities for the year	(701.06)	(323.94)
Net (decrease) in cash and cash equivalents	**(62.32)**	**29.72**

(B) Transaction with Non Controlling Interests

(₹ in Crores)

Particulars	**31st March, 2022**	**31st March, 2021**
Interest expense on Sub debt	134.47	131.87

(₹ in Crores)

Closing balance	**31st March, 2022**	**31st March, 2021**
Subordinate debt payable	2,137.35	2,061.70
Interest accrued but not due on Sub debt	53.28	51.40

61 Group has acquired the control of the Company w.e.f. 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 MERC MYT order for the period 1 April, 2017 to 28 August, 2018 is to the account of R-infra. MERC in its MYT order has provided for recovery of certain regulatory assets in subsequent years subject to final truing up adjustments.

Such recoverable amounts are mainly on account of various components such as annual surplus, capex disallowances, MAT credit etc. Pending final truing up by MERC, the amount recoverable from RINFRA have not been accounted for as at 31 March, 2022 and would be accounted for as and when such amount is finally determined.

62 **During the year, Adani Transmission Limited (the Parent Company)**

i) Signed a Share Purchase Agreement (SPA) and completed the acquisition of the SPV, Karur Transmission Limited (KTL), incorporated by PFC Consulting Ltd. KTL will build, own, operate and maintain the transmission project in Tamil Nadu for a period of 35 years. This Project comprises of 2x500MVA, 400/230 kV Karur Pooling Station (at location between Karur Wind Energy Zone and Tiruppur Wind Energy Zone) LILO of both circuits of Pugalur – Pugalur (HVDC) 400 kV D/c line at Karur PS, this acquisition accounted as Assets Acquisition.

ii) Signed a Share Purchase Agreement (SPA) and completed the acquisition of the SPV, Khavda-Bhuj Transmission Limited (KBTL), incorporated by PFC Consulting Ltd. KBTL will build, own, operate and maintain the transmission project in Gujarat for a period of 35 years. This Project comprises of 220 ckt km of transmission line connecting Khavda pooling station with Bhuj pooling station 4,500 MVA, 765 kV Gas Insulated Substation at Khavda, this acquisition accounted as Assets Acquisition.

iii) Signed a Share Purchase Agreement (SPA) and completed the acquisition of the SPV, MP Power Transmission Package-II Limited (MP Power), incorporated by REC Power Development and Consultancy Limited. MP Power will build, own, operate and maintain the transmission project in Madhya Pradesh for a period of 35 years. This Project comprises of approximately 850 ckt km of Transmission Lines & Air Insulated Substations of various voltage levels (220kV and 132kV) in 18 Districts of Madhya Pradesh, this acquisition accounted as Assets Acquisition.

(iv) Signed to Share Purchase Agreement dated 15th December, 2021 entered into between Group and Adani Ports and Special Economic Zone Limited (APSEZ), during the year acquired 100% stake in MPSEZ Utilities Limited ("MUL") for an upfront cash consideration of ₹ 116.27 Crores. MUL was incorporated primarily to provide the facility of distribution of electricity, effluent & sewage treatment in Mundra SEZ area, Kutch, Gujarat spread across 8,481 hectares as a distribution licensee. this acquisition accounted as Business Combination

(A) Summary of assets acquired and liabilities assumed as part of Assets acquisition when compared to the consideration paid is as below: :

Net amount of Assets and Liabilities **(₹ in Crores)**

Particulars	Karur Transmission Limited	Khavda-Bhuj Transmission Limited	MP Power Transmission Package-II Limited
Assets			
Non-current assets			
Capital Work-In-Progress	6.24	14.82	5.21
	6.24	**14.82**	**5.21**
Current assets			
Cash and cash equivalents	0.01	0.01	0.00
Other current assets	-	-	0.91
	0.01	**0.01**	**0.91**
Total Assets (i)	**6.25**	**14.83**	**6.12**
Total Liabilities (ii)	**-**	**-**	**-**
Net Assets (i-ii)	**6.25**	**14.83**	**6.12**

Consideration Transferred : **(₹ in Crores)**

Particulars	**Karur Transmission Limited**	**Khavda-Bhuj Transmission Limited**	**MP Power Transmission Package-II Limited**
Consideration Paid	6.25	14.83	6.12

B (a) Fair value of assets acquired and liabilities recognised at the date of acquisition on account of Business Combination:

(₹ in Crores)

Particulars	MPSEZ Utilities Limited (formerly known as MPSEZ Utilities Private Limited)
Assets	
Non-current assets	
Property, Plant and Equipment	94.88
Capital Work-In-Progress	3.65
Right of Usage	9.88
Intangible assets	51.36
Financial Assets	
Loans	4.60
Other financial assets	0.00
Income Tax Assets (net)	0.37
Other non-current assets	15.80
	180.54
Current assets	
Inventories	0.56
Financial Assets	
Investments	0.00
Trade Receivable	0.05
Cash and cash equivalents	11.63
Loan	0.03
Other financial assets	17.39
Other current assets	4.63
	34.29
Regulatory Deferral Account - Asset	**2.10**
Total Assets(i)	**216.93**
Non-current liabilities	
Lease Liabilities	4.51
Provisions	0.18
Deferred Tax Liabilities (Net)	33.85
Other Non Current Liabilities	45.07
	83.61
Current liabilities	
Financial liabilities	
Trade Payables	16.53
Other financial liabilities	5.37
Other Current Liabilities	0.30
Short-term provisions	0.08
Income Tax Liabilities (net)	0.18
	22.46
Total Liabilities(ii)	**106.07**
Net Assets (i-ii)	**110.86**

All the above identified assets, liabilities and contingent liabilities have been recorded at their provisional fair values in accordance with IND AS 103 Business Combinations.

(b) Goodwill arising from acquisition :

(₹ in Crores)

Particulars	MPSEZ Utilities Limited (formerly known as MPSEZ Utilities Private Limited)
Consideration Paid	116.27
Less : Fair value of net assets (i-ii)	110.86
Goodwill/(Capital Reserve)	**5.41**

Note : Goodwill is not tax deductible.

(c) Net cash outflow on acquisition :

(₹ in Crores)

Particulars	MPSEZ Utilities Limited (formerly known as MPSEZ Utilities Private Limited)
Total consideration paid during the year	116.27
Total	**116.27**

d) As if these companies where acquired on 1st April, 2021, the profitability would have been Increased by ₹ 14.68 crores as per below table :-

(₹ in Crores)

Particulars	MPSEZ Utilities Limited (formerly known as MPSEZ Utilities Private Limited)
Profitability Increase/(Decrease)	14.68

e) **Impact of acquisition on the results of the Group :** 8.85 Crores

f) The results of these subsidiaries, after elimination of inter company transactions and balances, as included in the consolidated financial statements for the year ended 31st March, 2022 are given below :

(₹ in Crores)

Particulars	As at 31st March, 2022 MPSEZ Utilities Limited (formerly known as MPSEZ Utilities Private Limited)
ASSETS	
Non-current Assets	
Property, Plant and Equipment	96.15
Right of Usage	9.77
Capital Work-In-Progress	2.45
Intangible Assets	51.36
Income Tax Assets (net)	0.32
Other Non-current Assets	16.97
Total Non-current Assets	**177.02**
Current Assets	
Inventories	0.21
Financial Assets	
(i) Investments	0.00
(ii) Trade Receivables	3.39
(iii) Cash and Cash Equivalents	0.18
(iv) Bank balance other than cash and cash equivalents	0.00
(v) Loans	-
(vi) Financial Assets - Others	0.87
Other Current Assets	22.75
Total Current Assets	**27.41**
Regulatory Deferral Account	**2.10**
Total	**206.53**
Liabilities	
Non-current Liabilities	
Lease Liabilities	4.59
Provisions	0.08
Other Non Current Liabilities	44.78
Deferred Tax Liabilities (Net)	33.42
Total Non-current Liabilities	**82.87**
Current Liabilities	
Financial Liabilities	
(i) Trade Payables	20.81
(ii) Other Financial Liabilities	7.56
Provisions	0.03
Other Current Liabilities	0.41
Current Tax Liabilities	1.41
Total Current Liabilities	**30.22**
Total	**113.09**

(₹ in Crores)

Particulars	For the Period 1st January 2022 to 31st March 22
Total Revenue	58.24
Total Expenses	(47.89)
Profit / (Loss) before tax	**10.35**
Tax	1.50
Profit / (Loss) after tax	**8.85**

63 Other Disclosures

(i) Due to outbreak of COVID-19 globally and in India, the Group's management has made initial assessment of impact on business and financial risks on account of COVID-19. Considering that the Group is in the business of Generation, Transmission and Distribution of Power which is considered to be an Essential Service, the management believes that the impact of this outbreak on the business and financial position of the Group will not be significant. The management does not see any risks in the Group's ability to continue as a going concern and meeting its liabilities as and when they fall due.

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

(iii) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or its subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iv) No funds have been received by the Parent or its subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

64 Subsequent Event

The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of consolidated financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the consolidated financial statements. As of 05 May, 2022, there are no subsequent events to be recognized or reported that are not already disclosed.

65 The Consolidated Financial Statements for the year ended 31st March, 2022 have been approved by the Audit Committee and approved by the Board of Directors at their meetings held on 05th May, 2022.

For and on behalf of the Board of Directors
ADANI TRANSMISSION LIMITED

GAUTAM S. ADANI	**RAJESH S. ADANI**	**ANIL SARDANA**	**ROHIT SONI**	**JALADHI SHUKLA**
Chairman	Director	Managing Director and Chief Executive Officer	Chief Financial Officer	Company Secretary
DIN: 00006273	DIN: 00006322	DIN: 00006867		

Date : 05th May, 2022

DETAILS OF PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Managers, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees and the percentage of post-Issue capital that may be held by them is set forth below. These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, will be included in the Placement Document to be sent to such proposed Allottees.

S. No.	Name of the proposed Allottees	Percentage of the post-Issue share capital held (%)^#
1.	[●]	[●]
2.	[●]	[●]
3.	[●]	[●]

^ *Based on beneficiary position as on [●], 2024 (adjusted for Equity Shares Allocated in the Issue).*

The post-Issue shareholding (in percentage terms) of the proposed Allottees will be disclosed on the basis of their respective PAN, except in case of Mutual Funds, insurance companies, and Eligible FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID has been considered.

Notes:

The details of the proposed Allottees have been intentionally left blank and will be filled in before filing of the Placement Document with the Stock Exchanges

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

For and on behalf of the Board, signed by:

____

Anil Sardana (DIN – 00006867)
Managing Director - Adani Energy Solutions Limited
(formerly known as Adani Transmission Limited)

Date: July 30, 2024

Place: Ahmedabad

DECLARATION

We, the Board of the Company, certify that:

(i) Our Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the Issue shall be used only for the purposes and objects indicated in this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

For and on behalf of the Board, signed by:

____

Anil Sardana (DIN – 00006867)
Managing Director - Adani Energy Solutions Limited
(formerly known as Adani Transmission Limited)

I am authorized by the Board of Directors, *vide* resolution dated 27th May 2024 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

____

Anil Sardana (DIN – 00006867)
Managing Director - Adani Energy Solutions Limited
(formerly known as Adani Transmission Limited)

Date: July 30, 2024

Place: Ahmedabad

ADANI ENERGY SOLUTIONS LIMITED
(FORMERLY KNOWN AS ADANI TRANSMISSION LIMITED)

Registered and Corporate Office:
Adani Corporate House
Shantigram, Near Vaishno Devi Circle
S G Highway, Khodiyar
Ahmedabad 382 421
Gujarat, India

Tel: +91 079 2555 5366
Email: vijil.jain@adani.com | **Website**: www.adanienergysolutions.com
CIN: L40300GJ2013PLC077803

Contact Person:
Jaladhi Atulchandra Shukla
Designation: Company Secretary and Compliance Officer
Tel: +91 079 2555 5366
E-mail: Jaladhi.Shukla@adani.com
Address: Adani Corporate House, Shantigram,
Near Vaishno Devi Circle, S.G. Highway, Khodiyar
Ahmedabad 382 421, Gujarat, India

BOOK RUNNING LEAD MANAGERS

SBI Capital Markets Limited

Unit No. 1501, 15th floor, A & B Wing,
Parinee Crescenzo Building, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai- 400 051, Maharashtra, India

Jefferies India Private Limited

Level 16, Express Towers,
Nariman Point, Mumbai – 400 021,
Maharashtra, India

ICICI Securities Limited

ICICI Venture House, Appasaheb Marathe
Marg, Prabhadevi, Mumbai 400 025,
Maharashtra, India

STATUTORY AUDITORS OF OUR COMPANY

Walker Chandiok & Co LLP, Chartered Accountants
RE 11, 1st floor, Near Vikramnagar
Iscon, Ambli Road, Ambli
Ahmedabad 380 058, Gujarat, India

LEGAL COUNSEL TO OUR COMPANY

As to Indian law

Cyril Amarchand Mangaldas
Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013

LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS

As to Indian Law

Trilegal
One World Centre
10th Floor, Tower 2A and 2B
Senapati Bapat Marg
Lower Parel (West), Mumbai 400 013
Maharashtra, India

As to international law

Latham & Watkins LLP
9 Raffles Place
#42-02 Republic Plaza
Singapore 048 619
Singapore

APPLICATION FORM

Indicative format of the Application Form

An indicative format of the Application Form is set forth below.

(Note: The format of the Application Form included herein above is indicative and for illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. The Company, in consultation with the BRLMs, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format below.)

ADANI ENERGY SOLUTIONS LIMITED
(FORMERLY KNOWN AS ADANI TRANSMISSION LIMITED)

(*Incorporated in the Republic of India under the provisions of the Companies Act, 1956*)
Registered & Corporate Office: Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad 382 421, Gujarat, India | **Telephone**: +91 079 2555 7555
Company Secretary and Compliance Officer: Jaladhi Atulchandra Shukla
E-mail address: vijil.jain@adani.com | **Website**: www.adanienergysolutions.com
CIN: L40300GJ2013PLC077803| **LEI:** 335800NT8W2YDE1C2270
ISIN: INE931S01010

APPLICATION FORM

Name of Bidder: ____________________

Form No: __________________________

Date: ______________________________

QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE ₹10 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE ("ISSUE PRICE"), INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE, AGGREGATING TO ₹ [●] CRORES UNDER CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY ADANI ENERGY SOLUTIONS LIMITED (THE "ISSUER" OR THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 1,027.1125 PER EQUITY SHARES AND THE COMPANY MAY OFFER A DISCOUNT OF UPTO 5% ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which (a) are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations or foreign exchange laws; or other applicable laws, or (b) are not prohibited or debarred by any regulatory authority for buying or selling or dealing in securities or restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws; (c) hold a valid and existing registration under the applicable laws in India (as applicable); (d) are eligible to invest in the Issue and submit this Application Form, and (e) are residents in India or Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules"), defined hereinafter or a multilateral or bilateral development financial institution eligible to invest in India under applicable law including the FEMA Rules; can submit this Application Form. However, foreign venture capital investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) are not permitted to participate in the Issue. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws in the United States and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdiction where those offers and sales occur and (ii) within the United States to "qualified institutional buyers", as defined in Rule 144A under the U.S. Securities Act, in transactions exempt from the registration requirements of the U.S. Securities Act. The Equity Shares of the Company have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold, and Bids may not be made by persons in any jurisdiction, except in compliance with the applicable laws of such jurisdictions. You should note and observe the distribution and solicitation, and transfer restrictions contained in the sections entitled "*Distribution and Solicitation Restrictions*" and "*Transfer Restrictions*" in the accompanying preliminary placement document dated July 30, 2024 (the "PPD").

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THIS ISSUE UNDER SCHEDULE II OF THE FEMA RULES, READ WITH THE RESTRICTIONS SPECIFIED IN THE "ISSUE PROCEDURE" SECTION OF THE PRELIMINARY PLACEMENT DOCUMENT SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIs IN THE COMPANY DOES NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS AND THE PRELIMINARY PLACEMENT DOCUMENT IN THIS REGARD. ALLOTMENTS MADE TO AIFs AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. PURSUANT TO FDI POLICY READ ALONG WITH PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE, AS PRESCRIBED IN THE FEMA RULES AND SHALL HAVE TO BE IN CONFORMITY WITH THE APPLICABLE PROVISIONS OF THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBS SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,

The Board of Directors
Adani Energy Solutions Limited
Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad 382 421, Gujarat, India

STATUS (Please ✓)			
FI	Scheduled Commercial Banks and Financial Institutions	**AIF**	Alternative Investment Fund*
MF	Mutual Funds	**IF**	Insurance Funds
FPI	Eligible Foreign Portfolio Investors**	**NIF**	National Investment Fund
VCF	Venture Capital Funds*	**SI-NBFC**	Systemically Important Non- Banking Financial Companies
IC	Insurance Companies	**OTH**	Others ____________ (Please specify)

Total shares currently held by QIB or QIBs belonging to the same group or those who are under common control. For details of what constitutes "*same group*" or "*common control*", see "*Application Form*" under *Issue Procedure* section of the PPD.
* *Sponsor and Manager should be Indian owned and controlled.*
** *Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue*

Dear Sirs,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, on the terms and price indicated below. We confirm that we are an Eligible QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the promoters of the Company, directly or indirectly and this Application Form does not directly or indirectly represent the promoter or promoter group or persons related to the promoter. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with promoters or persons related to promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either an Eligible QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We confirm that we are not an FVCI. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**").We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the PPD and this Application Form. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies or custodians of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of Equity Shares to be Allotted under each such scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant authorisations. We note that the Board of Directors of the Company, or any duly authorised committee thereof, is entitled, in consultation with SBI Capital Markets Limited, Jefferies India Private Limited and ICICI Securities Limited (the "**BRLMs**"), in their sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares that may be Allocated to us pursuant to the confirmation of allocation note ("**CAN**"), and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of this Application Form and the Bid Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for in the Issue has been/will be remitted to the designated bank account set out in this Application Form only through electronic mode, along with this duly completed Application Form prior to or on the Bid/Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash, demand draft or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLMs; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue, or if we withdraw the Bid before Issue Closing Date, or if there is a cancellation of the Issue, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We further understand and agree that (i) our names, address, contact details, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Gujarat at Ahmedabad (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of the National Stock Exchange of India Limited and BSE Limited (together, the "**Stock Exchanges**"), and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the RBI and other applicable laws.

By signing and submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Distribution and Solicitation Restrictions*" and "*Transfer Restrictions"* sections of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLMs, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and/or submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, and have read it in its entirety including in particular, the section titled "*Risk Factors*" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLMs or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document (when provided), this Application Form, the CAN, when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the sole and absolute discretion of the Company, in consultation with the BRLMs, and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the BRLMs. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) if we are participating in the Issue as an Eligible FPI, we are not an individual, corporate body, or family office; and (10) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and/or submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form, whether signed or not, is submitted by an Eligible QIB, and the Bid Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of such Eligible QIB.

We acknowledge that the Equity Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. By signing this Application Form and checking the applicable box above, we hereby represent that we are located outside the United States and purchasing Equity Shares in an "offshore transaction" (as defined in, and in reliance on, Regulation S) complying with Rule 903 or Rule 904 of Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. We confirm that we have read the representations, warranties and agreements contained in the sections entitled "***Distribution and Solicitation Restrictions***" and "***Transfer Restrictions***" in the PPD.

BIDDER DETAILS (in Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
TELEPHONE NO.		**FAX.**	
EMAIL ID		**MOBILE No.**	
FOR ELIGIBLE FPIs**	SEBI FPI REGISTRATION NO:		
FOR MFs	SEBI MF REGISTRATION NO: ____		
FOR AIFs***	SEBI AIF REGISTRATION NO: ____		
FOR VCFs***	SEBI VCF REGISTRATION NO:____		
FOR SI-NBFC	RBI REGISTRATION DETAILS:		
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS:		
FOR PENSION FUNDS	PFRDA REGISTRATION DETAILS:		

* *Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the Bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Issuer and the BRLMs.*

** *In case you are an FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*

*** *Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under Form PAS-4 of the PAS Rules. For such information, the BRLMs will rely on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER	
BY 3.00 PM (IST), [*day*], [*date*]	
Name of the Account	ADANI ENERGY SOLUTION LIMITED QIP ESCROW ACCOUNT
Name of the Bank	State Bank of India

Address of the Branch of the Bank	Main Branch Building, Fort , Mumbai -400001
Legal Entity Identifier Code of Co.	5493001JZ37UBBZF6L49
Account Type	Current Account
Account Number	43094969805
IFSC	SBIN0011777
Tel No.	022-2271 9117
E-mail	nib.11777@sbi.co.in

The Bid Amount should be transferred pursuant to the Application Form. All payments must be made only by way of electronic funds transfer, in favour of "ADANI ENERGY SOLUTION LIMITED QIP ESCROW ACCOUNT". Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bid/Issue Period, i.e., prior to the Bid/Issue Closing Date. **The payment for subscription to the Equity Shares Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.**

DEPOSITORY ACCOUNT DETAILS									
Depository Name (Please □)	National Security Depository Limited								Central Depository Services (India) Limited
Depository Participant Name									
DP – ID	I	N							
Beneficiary Account Number									(16-digit beneficiary account. No. to be mentioned above)
The demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. **However, for the purpose of refund, if any, only the bank details as mentioned below, from which remittance towards subscription has been made, will be considered.**									

You are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by you. The Company and the BRLMs shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	
NO. OF EQUITY SHARES BID		**PRICE PER EQUITY SHARE (RUPEES)**	
(In figures)	(In words)	(In figures)	(In words)
BID AMOUNT (RUPEES)			
(In Figures)		(In Words)	

DETAILS OF CONTACT PERSON			
NAME			
ADDRESS			
TEL. NO.		**FAX NO.**	
EMAIL		**MOBILE NO.**	

OTHER DETAILS	
PAN*	
Legal Entity Identifier Code ("LEI")	
Date of Application	
Signature of Authorised Signatory *(may be signed either physically or digitally)***	

ENCLOSURES ATTACHED

Attested / certified true copy of the following:

- ☐ Copy of PAN Card or PAN allotment letter
- ☐ Copy of FPI Registration Certificate /MF Registration certificate / SEBI certificate of registration for AIFs/VCF/SI-NBFC/IC/IF
- ☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a Scheduled Commercial Bank
- ☐ Copy of notification as a public financial institution
- ☐ FIRC
- ☐ Copy of IRDAI registration certificate
- ☐ Intimation of being part of the same group
- ☐ Certified true copy of power of attorney
- ☐ Other, please specify_________________________

* *It is to be specifically noted that the Bidder should not submit the GIR Number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground, unless the Bidder is exempted from the requirement of obtaining a PAN number under the Income-tax Act, 1961.*

** *A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practical.*

Note:

(1) Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD and the Placement Document, unless specifically defined herein.

(2) The Application Form is liable to be rejected if any information provided is incomplete or inadequate at the discretion of the Company in consultation with the BRLMs. The duly filed Application Form along with all enclosures shall be submitted to the BRLMs either through electronic form at the email mentioned in the PPD or through physical deliver at the address mentioned in PPD.

(3) This Application Form, the PPD and the Placement Document sent to you/ be sent to you, either in physical form or electronic form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.

(4) The duly filed Application Form along with all enclosures shall be submitted to the BRLMs either through electronic form at the email mentioned in the PPD or through physical delivery at the address mentioned in the PPD.

(Note: The format of the Application Form included herein above is indicative and for the illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. The Company, in consultation with the BRLMs, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format above.)